

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 236

Introduced by Coash, 27.

Read first time January 14, 2015

Committee: Nebraska Retirement Systems

1 A BILL FOR AN ACT relating to retirement; to amend sections 16-1019,
2 16-1038, 23-2322, 25-1563.01, 71-1631, 79-948, 79-9,104, 81-2032,
3 84-1324, 84-1505, 85-106, and 85-320, Reissue Revised Statutes of
4 Nebraska, and sections 2-3228, 14-567, 14-2111, 19-3501, 24-710.02,
5 and 48-1401, Revised Statutes Cumulative Supplement, 2014; to change
6 and eliminate provisions relating to collection of judgments; to
7 harmonize provisions; and to repeal the original sections.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-3228, Revised Statutes Cumulative Supplement,
2 2014, is amended to read:

3 2-3228 (1) Each district shall have the power and authority to:

4 (a) Receive and accept donations, gifts, grants, bequests,
5 appropriations, or other contributions in money, services, materials, or
6 otherwise from the United States or any of its agencies, from the state
7 or any of its agencies or political subdivisions, or from any person as
8 defined in section 49-801 and use or expend all such contributions in
9 carrying on its operations;

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

13 (c) Employ such persons as are necessary to carry out its authorized
14 purposes and, in addition to other compensation provided, establish and
15 fund a pension plan designed and intended for the benefit of all
16 permanent full-time employees of the district. Any recognized method of
17 funding a pension plan may be employed. Employee contributions shall be
18 required to fund at least fifty percent of the benefits, and past service
19 benefits may be included. The district shall pay all costs of any such
20 past service benefits, which may be retroactive to July 1, 1972, and the
21 plan may be integrated with old age and survivors' insurance, generally
22 known as social security. A uniform pension plan, including the method
23 for jointly funding such plan, shall be established for all districts in
24 the state. A district may elect not to participate in such a plan but
25 shall not establish an independent plan. An employee's benefits under the
26 plan are subject to subdivision (3) of section 25-1563.01;

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

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

31 (f) Adopt and promulgate rules and regulations to carry out its

1 authorized purposes; and

2 (g) Invite the local governing body of any municipality or county to
3 designate a representative to advise and counsel with the board on
4 programs and policies that may affect the property, water supply, or
5 other interests of such municipality or county.

6 (2)(a) Beginning December 31, 1998, and each December 31 thereafter,
7 the Nebraska Association of Resources Districts as organized under the
8 Interlocal Cooperation Act shall file with the Public Employees
9 Retirement Board an annual report on each retirement plan established
10 pursuant to this section and section 401(a) of the Internal Revenue Code
11 and shall submit copies of such report to the Auditor of Public Accounts.
12 The Auditor of Public Accounts may prepare a review of such report
13 pursuant to section 84-304.02 but is not required to do so. The annual
14 report 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 (i) The number of persons participating in the retirement 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 plan;
21 (v) The names and positions of persons investing plan assets;
22 (vi) The form and nature of investments;
23 (vii) For each defined contribution plan, a full description of
24 investment policies and options available to plan participants; and
25 (viii) For each defined benefit plan, the levels of benefits of
26 participants in the plan, the number of members who are eligible for a
27 benefit, and the total present value of such members' benefits, as well
28 as the funding sources which will pay for such benefits.

29 If a plan contains no current active participants, the association
30 may file in place of such report a statement with the Public Employees
31 Retirement Board indicating the number of retirees still drawing

1 benefits, and the sources and amount of funding for such benefits.

2 (b) If such retirement plan is a defined benefit plan which was open
3 to new members on January 1, 2004, in addition to the reports required by
4 section 13-2402, the association shall cause to be prepared an annual
5 report and shall file the same with the Public Employees Retirement Board
6 and the Nebraska Retirement Systems Committee of the Legislature and
7 submit to the Auditor of Public Accounts a copy of such report. The
8 Auditor of Public Accounts may prepare a review of such report pursuant
9 to section 84-304.02 but is not required to do so. If the association
10 does not submit a copy of the report to the Auditor of Public Accounts
11 within six months after the end of the plan year, the Auditor of Public
12 Accounts may audit, or cause to be audited, the association. All costs of
13 the audit shall be paid by the association. The report shall consist of a
14 full actuarial analysis of each such retirement plan established pursuant
15 to this section. The analysis shall be prepared by an independent private
16 organization or public entity employing actuaries who are members in good
17 standing of the American Academy of Actuaries, and which organization or
18 entity has demonstrated expertise to perform this type of analysis and is
19 unrelated to any organization offering investment advice or which
20 provides investment management services to the retirement plan. The
21 report to the Nebraska Retirement Systems Committee shall be submitted
22 electronically.

23 Sec. 2. Section 14-567, Revised Statutes Cumulative Supplement,
24 2014, is amended to read:

25 14-567 (1) Beginning December 31, 1998, and each December 31
26 thereafter, the pension board of a city of the metropolitan class shall
27 file with the Public Employees Retirement Board an annual report on each
28 retirement plan established by such city pursuant to section 401(a) of
29 the Internal Revenue Code and shall submit copies of such report to the
30 Auditor of Public Accounts. The Auditor of Public Accounts may prepare a
31 review of such report pursuant to section 84-304.02 but is not required

1 to do so. The annual report shall be in a form prescribed by the Public
2 Employees Retirement Board and shall contain the following information
3 for each such retirement plan:

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

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

9 (f) The form and nature of investments;

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

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

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

20 (2) If such retirement plan is a defined benefit plan which was open
21 to new members on January 1, 2004, in addition to the reports required by
22 section 13-2402, the pension board of a city of the metropolitan class
23 shall cause to be prepared an annual report and shall file the same with
24 the Public Employees Retirement Board and the Nebraska Retirement Systems
25 Committee of the Legislature and submit to the Auditor of Public Accounts
26 a copy of such report. The Auditor of Public Accounts may prepare a
27 review of such report pursuant to section 84-304.02 but is not required
28 to do so. If the pension board does not submit a copy of the report to
29 the Auditor of Public Accounts within six months after the end of the
30 plan year, the Auditor of Public Accounts may audit, or cause to be
31 audited, the city. All costs of the audit shall be paid by the city. The

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

10 (3) An employee's benefits under any such plan are subject to
11 subdivision (3) of section 25-1563.01.

12 Sec. 3. Section 14-2111, Revised Statutes Cumulative Supplement,
13 2014, is amended to read:

14 14-2111 (1) The board of directors of any metropolitan utilities
15 district may also provide benefits for, insurance of, and annuities for
16 the present and future employees and appointees of the district covering
17 accident, disease, death, total and permanent disability, and retirement,
18 all or any of them, under such terms and conditions as the board may deem
19 proper and expedient from time to time. Any retirement plan adopted by
20 the board of directors shall be upon some contributory basis requiring
21 contributions by both the district and the employee or appointee, except
22 that the district may pay the entire cost of the fund necessary to cover
23 service rendered prior to the adoption of any new retirement plan. Any
24 retirement plan shall take into consideration the benefits provided for
25 employees and appointees of metropolitan utilities districts under the
26 Social Security Act, and any benefits provided under a contributory
27 retirement plan shall be supplemental to the benefits provided under the
28 Social Security Act as defined in section 68-602 if the employees
29 entitled to vote in a referendum vote in favor of old age and survivors'
30 insurance coverage. To effectuate any plan adopted pursuant to this
31 authority, the board of directors of the district is empowered to

1 establish and maintain reserves and funds, provide for insurance premiums
2 and costs, and make such delegation as may be necessary to carry into
3 execution the general powers granted by this section. ~~Payments Except as~~
4 ~~provided in subsection (4) of this section,~~ payments made to employees
5 and appointees, under the authority in this section, shall be exempt from
6 attachment or other legal process except as provided in subdivision (3)
7 of section 25-1563.01 and shall not be assignable.

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

26 (3)(a) Beginning December 31, 1998, and each December 31 thereafter,
27 the chairperson of the board shall file with the Public Employees
28 Retirement Board an annual report on each retirement plan established
29 pursuant to this section and section 401(a) of the Internal Revenue Code
30 and shall submit copies of such report to the Auditor of Public Accounts.
31 The 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 annual
2 report shall be in a form prescribed by the Public Employees Retirement
3 Board and shall contain the following information for each such
4 retirement plan:

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

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

21 (b) If such retirement plan is a defined benefit plan which was open
22 to new members on January 1, 2004, in addition to the reports required by
23 section 13-2402, the board of directors of any metropolitan utilities
24 district shall cause to be prepared an annual report and shall file the
25 same with the Public Employees Retirement Board and the Nebraska
26 Retirement Systems Committee of the Legislature and submit to the Auditor
27 of Public Accounts a copy of such report. The Auditor of Public Accounts
28 may prepare a review of such report pursuant to section 84-304.02 but is
29 not required to do so. If the board of directors does not submit a copy
30 of the report to the Auditor of Public Accounts within six months after
31 the end of the plan year, the Auditor of Public Accounts may audit, or

1 cause to be audited, the metropolitan utilities district. All costs of
2 the audit shall be paid by the metropolitan utilities district. The
3 report shall consist of a full actuarial analysis of each such retirement
4 plan established pursuant to this section. The analysis shall be prepared
5 by an independent private organization or public entity employing
6 actuaries who are members in good standing of the American Academy of
7 Actuaries, and which organization or entity has demonstrated expertise to
8 perform this type of analysis and is unrelated to any organization
9 offering investment advice or which provides investment management
10 services to the retirement plan. The report to the Nebraska Retirement
11 Systems Committee shall be submitted electronically.

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

29 Sec. 4. Section 16-1019, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 16-1019 (1) ~~The Except as provided in subsection (6) of this~~

1 ~~section,~~ the right to any benefits under the retirement system and the
2 assets of any fund of the retirement system shall not be assignable or
3 subject to execution, garnishment, attachment, or the operation of any
4 bankruptcy or insolvency laws, except as provided in subdivision (3) of
5 section 25-1563.01 and except that the retirement system may comply with
6 the directions set forth in a qualified domestic relations order meeting
7 the requirements of section 414(p) of the Internal Revenue Code. Any
8 ~~payment of benefits subject to such order shall take priority over any~~
9 ~~payment made pursuant to subsection (6) of this section.~~ The city or
10 retirement committee may require appropriate releases from any person as
11 a condition to complying with any such order. The retirement system shall
12 not recognize any domestic relations order which alters or changes
13 benefits, provides for a form of benefit not otherwise provided for by
14 the retirement system, increases benefits not otherwise provided by the
15 retirement system, or accelerates or defers the time of payment of
16 benefits. No participant or beneficiary shall have any right to any
17 specific portion of the assets of the retirement system.

18 (2) The retirement system shall be administered in a manner
19 necessary to comply with the tax-qualification requirements applicable to
20 government retirement plans under section 401(a) of the Internal Revenue
21 Code, including section 401(a)(9) relating to the time and manner in
22 which benefits are required to be distributed and section 401(a)(9)(G)
23 relating to incidental death benefit requirements, section 401(a)(16)
24 relating to compliance with the maximum limitation on the plan benefits
25 or contributions under section 415, section 401(a)(17) which limits the
26 amount of compensation which can be taken into account under a retirement
27 plan, section 401(a)(25) relating to the specification of actuarial
28 assumptions, section 401(a)(31) relating to direct rollover distributions
29 from eligible retirement plans, and section 401(a)(37) relating to the
30 death benefit of a police officer who dies while performing qualified
31 military service. Any requirements for compliance with section 401(a) of

1 the Internal Revenue Code may be set forth in any trust or funding medium
2 for the retirement system. This subsection shall be in full force and
3 effect only so long as conformity with section 401(a) of the Internal
4 Revenue Code is required for public retirement systems in order to secure
5 the favorable income tax treatment extended to sponsors and beneficiaries
6 of tax-qualified retirement plans.

7 (3) If the retirement committee determines that the retirement
8 system has previously overpaid or underpaid a benefit payable under the
9 Police Officers Retirement Act, it shall have the power to correct such
10 error. In the event of an overpayment, the retirement system may, in
11 addition to any other remedy that the retirement system may possess,
12 offset future benefit payments by the amount of the prior overpayment,
13 together with regular interest thereon.

14 (4) A police officer whose benefit payment is adjusted by the
15 retirement committee pursuant to subsection (3) of this section may
16 request a review by the city council of the adjustment made by the
17 retirement committee.

18 (5) In order to provide the necessary amounts to pay for or fund a
19 pension plan established under the act, the mayor and council may make a
20 levy which is within the levy restrictions of section 77-3442.

21 ~~(6) If a member of the retirement system is convicted of or pleads~~
22 ~~no contest to a felony that is defined as assault, sexual assault,~~
23 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~
24 ~~is found liable for civil damages as a result of such felony, following~~
25 ~~distribution of the member's benefits or the assets of any fund of the~~
26 ~~member from the retirement system, the court may order the payment of the~~
27 ~~member's benefits or the assets of any fund of the member under the~~
28 ~~retirement system for such civil damages, except that the benefits or~~
29 ~~assets to the extent reasonably necessary for the support of the member~~
30 ~~or any of his or her beneficiaries shall be exempt from such payment. Any~~
31 ~~order for payment of benefits or assets shall not be stayed on the filing~~

1 ~~of any appeal of the conviction. If the conviction is reversed on final~~
2 ~~judgment, all benefits or assets paid as civil damages shall be forfeited~~
3 ~~and returned to the member. The changes made to this section by Laws~~
4 ~~2012, LB916, shall apply to persons convicted of or who have pled no~~
5 ~~contest to such a felony and who have been found liable for civil damages~~
6 ~~as a result of such felony prior to, on, or after April 7, 2012.~~

7 Sec. 5. Section 16-1038, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 16-1038 (1) ~~The~~ Except as provided in subsection (6) of this
10 section, the right to any benefits under the retirement system and the
11 assets of any fund of the retirement system shall not be assignable or
12 subject to execution, garnishment, attachment, or the operation of any
13 bankruptcy or insolvency laws, except as provided in subdivision (3) of
14 section 25-1563.01 and except that the retirement system may comply with
15 the directions set forth in a qualified domestic relations order meeting
16 the requirements of section 414(p) of the Internal Revenue Code. Any
17 ~~payment of benefits subject to such order shall take priority over any~~
18 ~~payment made pursuant to subsection (6) of this section.~~ The city or
19 retirement committee may require appropriate releases from any person as
20 a condition to complying with any such order. The retirement system shall
21 not recognize any domestic relations order which alters or changes
22 benefits, provides for a form of benefit not otherwise provided for by
23 the retirement system, increases benefits not otherwise provided by the
24 retirement system, or accelerates or defers the time of payment of
25 benefits. No participant or beneficiary shall have any right to any
26 specific portion of the assets of the retirement system.

27 (2) The retirement system shall be administered in a manner
28 necessary to comply with the tax-qualification requirements applicable to
29 government retirement plans under section 401(a) of the Internal Revenue
30 Code, including section 401(a)(9) relating to the time and manner in
31 which benefits are required to be distributed and section 401(a)(9)(G)

1 relating to incidental death benefit requirements, section 401(a)(16)
2 relating to compliance with the maximum limitation on the plan benefits
3 or contributions under section 415, section 401(a)(17) which limits the
4 amount of compensation which can be taken into account under a retirement
5 plan, section 401(a)(25) relating to the specification of actuarial
6 assumptions, section 401(a)(31) relating to direct rollover distribution
7 from eligible retirement plans, and section 401(a)(37) relating to the
8 death benefit of a firefighter who dies while performing qualified
9 military service. Any requirements for compliance with section 401(a) of
10 the Internal Revenue Code may be set forth in any trust or funding medium
11 for the retirement system. This subsection shall be in full force and
12 effect only so long as conformity with section 401(a) of the Internal
13 Revenue Code is required for public retirement systems in order to secure
14 the favorable income tax treatment extended to sponsors and beneficiaries
15 of tax-qualified retirement plans.

16 (3) If the retirement committee determines that the retirement
17 system has previously overpaid or underpaid a benefit payable under
18 sections 16-1020 to 16-1042, it shall have the power to correct such
19 error. In the event of an overpayment, the retirement system may, in
20 addition to any other remedy that the retirement system may possess,
21 offset future benefit payments by the amount of the prior overpayment,
22 together with regular interest thereon.

23 (4) A firefighter whose benefit payment is adjusted by the
24 retirement committee pursuant to subsection (3) of this section may
25 request a review by the city council of the adjustment made by the
26 retirement committee.

27 (5) In order to provide the necessary amounts to pay for or fund a
28 pension plan established under sections 16-1020 to 16-1042, the mayor and
29 council may make a levy which is within the levy restrictions of section
30 77-3442.

31 ~~(6) If a member of the retirement system is convicted of or pleads~~

1 ~~no contest to a felony that is defined as assault, sexual assault,~~
2 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~
3 ~~is found liable for civil damages as a result of such felony, following~~
4 ~~distribution of the member's benefits or the assets of any fund of the~~
5 ~~member from the retirement system, the court may order the payment of the~~
6 ~~member's benefits or the assets of any fund of the member under the~~
7 ~~retirement system for such civil damages, except that the benefits or~~
8 ~~assets to the extent reasonably necessary for the support of the member~~
9 ~~or any of his or her beneficiaries shall be exempt from such payment. Any~~
10 ~~order for payment of benefits or assets shall not be stayed on the filing~~
11 ~~of any appeal of the conviction. If the conviction is reversed on final~~
12 ~~judgment, all benefits or assets paid as civil damages shall be forfeited~~
13 ~~and returned to the member. The changes made to this section by Laws~~
14 ~~2012, LB916, shall apply to persons convicted of or who have pled no~~
15 ~~contest to such a felony and who have been found liable for civil damages~~
16 ~~as a result of such felony prior to, on, or after April 7, 2012.~~

17 Sec. 6. Section 19-3501, Revised Statutes Cumulative Supplement,
18 2014, is amended to read:

19 19-3501 (1) The governing body of cities of the first and second
20 classes and villages may, by appropriate ordinance or proper resolution,
21 establish a pension plan designed and intended for the benefit of the
22 regularly employed or appointed full-time employees of the city. Any
23 recognized method of funding a pension plan may be employed. The plan
24 shall be established by appropriate ordinance or proper resolution, which
25 may provide for mandatory contribution by the employee. The city may also
26 contribute, in addition to any amounts contributed by the employee,
27 amounts to be used for the purpose of funding employee past service
28 benefits. Any two or more cities of the first and second classes and
29 villages may jointly establish such a pension plan by adoption of
30 appropriate ordinances or resolutions. Such a pension plan may be
31 integrated with old age and survivors insurance, otherwise generally

1 known as social security. An employee's benefits under the plan shall be
2 subject to subdivision (3) of to section 25-1563.01.

3 (2)(a) Beginning December 31, 1998, and each December 31 thereafter,
4 the clerk of a city or village with a retirement plan established
5 pursuant to this section and section 401(a) of the Internal Revenue Code
6 shall file with the Public Employees Retirement Board an annual report on
7 such plan 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. The
10 annual report shall be in a form prescribed by the Public Employees
11 Retirement Board and shall contain the following information for each
12 such retirement plan:

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

25 If a plan contains no current active participants, the city or
26 village clerk may file in place of such report a statement with the
27 Public Employees Retirement Board indicating the number of retirees still
28 drawing benefits, and the sources and amount of funding for such
29 benefits.

30 (b) If such retirement plan is a defined benefit plan which was open
31 to new members on January 1, 2004, in addition to the reports required by

1 section 13-2402, the city council or village board shall cause to be
2 prepared an annual report and shall file the same with the Public
3 Employees Retirement Board and the Nebraska Retirement Systems Committee
4 of the Legislature and submit to the Auditor of Public Accounts a copy of
5 each report. The Auditor of Public Accounts may prepare a review of such
6 report pursuant to section 84-304.02 but is not required to do so. If the
7 city council or village board does not submit a copy of the report to the
8 Auditor of Public Accounts within six months after the end of the plan
9 year, the Auditor of Public Accounts may audit, or cause to be audited,
10 the city or village. All costs of the audit shall be paid by the city or
11 village. The report shall consist of a full actuarial analysis of each
12 such retirement plan established pursuant to this section. The analysis
13 shall be prepared by an independent private organization or public entity
14 employing actuaries who are members in good standing of the American
15 Academy of 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 Nebraska
19 Retirement Systems Committee shall be submitted electronically.

20 (3) Subsection (1) of this section shall not apply to firefighters
21 or police officers who are included under an existing pension or
22 retirement system established by the municipality employing such
23 firefighters or police officers or the Legislature. If a city of the
24 first class decreases in population to less than five thousand, as
25 determined by the latest federal census, any police officer or
26 firefighter employed by such city on or prior to the date such city
27 becomes a city of the second class shall retain the level of benefits
28 established by the Legislature for police officers or firefighters
29 employed by a city of the first class on the date such city becomes a
30 city of the second class.

31 Sec. 7. Section 23-2322, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 23-2322 Annuities ~~(1) Except as provided in subsection (2) of this~~
3 ~~section, annuities or benefits which any person shall be entitled to~~
4 ~~receive under the County Employees Retirement Act shall not be subject to~~
5 ~~garnishment, attachment, levy, the operation of bankruptcy or insolvency~~
6 ~~laws, or any other process of law whatsoever and shall not be assignable~~
7 ~~except as provided in subdivision (3) of section 25-1563.01 and except to~~
8 ~~the extent that such annuities or benefits are subject to a qualified~~
9 ~~domestic relations order under the Spousal Pension Rights Act.—The~~
10 ~~payment of any annuities or benefits subject to such order shall take~~
11 ~~priority over any payment made pursuant to subsection (2) of this~~
12 ~~section.~~

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

30 Sec. 8. Section 24-710.02, Revised Statutes Cumulative Supplement,
31 2014, is amended to read:

1 24-710.02 All ~~(1) Except as provided in subsection (2) of this~~
2 ~~section, all annuities or benefits which any person shall be entitled to~~
3 ~~receive under the Judges Retirement Act shall not be subject to~~
4 ~~garnishment, attachment, levy, the operation of bankruptcy or insolvency~~
5 ~~laws, or any other process of law whatsoever and shall not be assignable~~
6 ~~except as provided in subdivision (3) of section 25-1563.01 and except to~~
7 ~~the extent that such annuities or benefits are subject to a qualified~~
8 ~~domestic relations order under the Spousal Pension Rights Act.—The~~
9 ~~payment of any annuities or benefits subject to such order shall take~~
10 ~~priority over any payment made pursuant to subsection (2) of this~~
11 ~~section.~~

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

29 Sec. 9. Section 25-1563.01, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 25-1563.01 In bankruptcy and in the collection of a money judgment,

1 the following benefits shall be exempt from attachment, garnishment, or
2 other legal or equitable process and from all claims of creditors: To the
3 extent reasonably necessary for the support of the debtor and any
4 dependent of the debtor, an interest held under a stock bonus, pension,
5 profit-sharing, or similar plan or contract payable on account of
6 illness, disability, death, age, or length of service unless:

7 (1) Within two years prior to bankruptcy or to entry against the
8 individual of a money judgment which thereafter becomes final, such plan
9 or contract was established or was amended to increase contributions by
10 or under the auspices of the individual or of an insider that employed
11 the individual at the time the individual's rights under such plan or
12 contract arose. Insider has the same meaning as in 11 U.S.C. 101, as such
13 section existed on January 1, 2015;~~or~~

14 (2) Such plan or contract does not qualify under section 401(a),
15 403(a), 403(b), 408, or 408A of the Internal Revenue Code; or -

16 ~~For purposes of this section, unless the context otherwise requires,~~
17 ~~insider shall have the meaning provided in 11 U.S.C. 101.~~

18 (3) The debtor (a) is a member of a retirement plan provided by this
19 state, by a political subdivision of this state, or by a joint entity or
20 joint public agency created under state law to act on behalf of political
21 subdivisions, (b) is convicted of or pleads no contest to a felony or
22 misdemeanor, and (c) is found liable for civil damages as a result of
23 such felony or misdemeanor. In such a case, the court may order the
24 payment of the member's annuities or benefits earned under the retirement
25 plan for such civil damages, except that the annuities or benefits to the
26 extent reasonably necessary for the support of the member or any of his
27 or her beneficiaries shall be exempt from such payment. Any order for
28 payment of annuities or benefits shall not be stayed on the filing of any
29 appeal of the conviction. If the conviction is reversed on final
30 judgment, all annuities or benefits paid as civil damages shall be
31 forfeited and returned to the member. The payment of any annuities or

1 benefits subject to a qualified domestic relations order under the
2 Spousal Pension Rights Act shall take priority over any order for payment
3 pursuant to this subdivision. The changes made to this section by this
4 legislative bill shall apply to persons convicted of such a felony or
5 misdemeanor and found liable for civil damages as a result of such felony
6 prior to, on, or after the effective date of this act.

7 Sec. 10. Section 48-1401, Revised Statutes Cumulative Supplement,
8 2014, is amended to read:

9 48-1401 (1) Any county, municipality, or other political
10 subdivision, instrumentality, or agency of the State of Nebraska, except
11 any agency subject to sections 84-1504 to 84-1506 or section 85-106,
12 85-320, or 85-606.01, may enter into an agreement to defer a portion of
13 any individual's compensation derived from such county, municipality, or
14 other political subdivision, instrumentality, or agency to a future
15 period in time pursuant to section 457 of the Internal Revenue Code. Such
16 deferred compensation plan shall be voluntary and shall be available to
17 all regular employees and elected officials.

18 (2) The compensation to be deferred may never exceed the total
19 compensation to be received by the individual from the employer or exceed
20 the limits established by the Internal Revenue Code for such a plan.

21 (3) All compensation deferred under the plan, all property and
22 rights purchased with the deferred compensation, and all investment
23 income attributable to the deferred compensation, property, or rights
24 shall be held in trust for the exclusive benefit of participants and
25 their beneficiaries by the county, municipality, or other political
26 subdivision, instrumentality, or agency until such time as payments are
27 made under the terms of the deferred compensation plan.

28 (4) The county, municipality, or other political subdivision,
29 instrumentality, or agency shall designate its treasurer or an equivalent
30 official, including the State Treasurer, to be the custodian of the funds
31 and securities of the deferred compensation plan.

1 (5) The county, municipality, or other political subdivision,
2 instrumentality, or agency may invest the compensation to be deferred
3 under an agreement in or with: (a) Annuities; (b) mutual funds; (c)
4 banks; (d) savings and loan associations; (e) trust companies qualified
5 to act as fiduciaries in this state; (f) an organization established for
6 the purpose of administering public employee deferred compensation
7 retirement plans and authorized to do business in the State of Nebraska;
8 or (g) investment advisers as defined in the federal Investment Advisers
9 Act of 1940.

10 (6) The deferred compensation program shall exist and serve in
11 addition to, and shall not be a part of, any existing retirement or
12 pension system provided for state, county, municipal, or other political
13 subdivision, instrumentality, or agency employees, or any other benefit
14 program.

15 (7) Any compensation deferred under such a deferred compensation
16 plan shall continue to be included as regular compensation for the
17 purpose of computing the retirement, pension, or social security
18 contributions made or benefits earned by any employee.

19 (8) Any sum so deferred shall not be included in the computation of
20 any federal or state taxes withheld on behalf of any such individual.

21 (9) The state, county, municipality, or other political subdivision,
22 instrumentality, or agency shall not be responsible for any investment
23 results entered into by the individual in the deferred compensation
24 agreement.

25 (10) All ~~(a) Except as provided in subdivision (b) of this~~
26 ~~subsection, all~~ compensation deferred under the plan, all property and
27 rights purchased with the deferred compensation, and all investment
28 income attributable to the deferred compensation, property, or rights
29 shall not be subject to garnishment, attachment, levy, the operation of
30 bankruptcy or insolvency laws, or any other process of law whatsoever and
31 shall not be assignable, except that such compensation, property, and

1 rights shall be subject to subdivision (3) of section 25-1563.01 as if
2 such compensation, property, and rights are benefits under a retirement
3 plan.

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

25 (11) Nothing contained in this section shall in any way limit,
26 restrict, alter, amend, invalidate, or nullify any deferred compensation
27 plan previously instituted by any county, municipality, or other
28 political subdivision, instrumentality, or agency of the State of
29 Nebraska, and any such plan is hereby authorized and approved.

30 (12) If a county has not established a deferred compensation plan
31 pursuant to this section, each individual may require that the county

1 enter into an agreement with the individual to defer a portion of such
2 individual's compensation and place it under the management and
3 supervision of the state deferred compensation plan created pursuant to
4 sections 84-1504 to 84-1506. If such an agreement is made, the county
5 shall designate the State Treasurer as custodian of such deferred
6 compensation funds and such deferred compensation funds shall become a
7 part of the trust administered by the Public Employees Retirement Board
8 pursuant to sections 84-1504 to 84-1506.

9 (13) For purposes of this section, individual means (a) any person
10 designated by the county, municipality, or other political subdivision,
11 instrumentality, or agency of the State of Nebraska, except any agency
12 subject to sections 84-1504 to 84-1506 or section 85-106, 85-320, or
13 85-606.01, as a permanent part-time or full-time employee of the county,
14 municipality, or other political subdivision, instrumentality, or agency
15 and (b) a person under contract providing services to the county,
16 municipality, or other political subdivision, instrumentality, or agency
17 of the State of Nebraska, except any agency subject to sections 84-1504
18 to 84-1506 or section 85-106, 85-320, or 85-606.01, and who has entered
19 into a contract with such county, municipality, political subdivision,
20 instrumentality, or agency to have compensation deferred prior to August
21 28, 1999.

22 Sec. 11. Section 71-1631, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 71-1631 Except as provided in subsection (4) of section 71-1630, the
25 board of health of each county, district, or city-county health
26 department organized under sections 71-1626 to 71-1636 shall, immediately
27 after appointment, meet and organize by the election of one of its own
28 members as president, one as vice president, and another as secretary
29 and, either from its own members or otherwise, a treasurer and shall have
30 the power set forth in this section. The board may elect such other
31 officers as it may deem necessary and may adopt and promulgate such rules

1 and regulations for its own guidance and for the government of such
2 health department as may be necessary, not inconsistent with sections
3 71-1626 to 71-1636. The board of health shall, with the approval of the
4 county board and the municipality, whenever a city is a party in such a
5 city-county health department:

6 (1) Select the health director of such department who shall be (a)
7 well-trained in public health work though he or she need not be a
8 graduate of an accredited medical school, but if he or she is not such a
9 graduate, he or she shall be assisted at least part time by at least one
10 medical consultant who shall be a licensed physician, (b) qualified in
11 accordance with the state personnel system, and (c) approved by the
12 Department of Health and Human Services;

13 (2) Hold an annual meeting each year, at which meeting officers
14 shall be elected for the ensuing year;

15 (3) Hold meetings quarterly each year;

16 (4) Hold special meetings upon a written request signed by two of
17 its members and filed with the secretary;

18 (5) Provide suitable offices, facilities, and equipment for the
19 health director and assistants and their pay and traveling expenses in
20 the performance of their duties, with mileage to be computed at the rate
21 provided in section 81-1176;

22 (6) Publish, on or soon after the second Tuesday in July of each
23 year, in pamphlet form for free distribution, an annual report showing
24 (a) the condition of its trust for each year, (b) the sums of money
25 received from all sources, giving the name of any donor, (c) how all
26 money has been expended and for what purpose, and (d) such other
27 statistics and information with regard to the work of such health
28 department as may be of general interest;

29 (7) Enact rules and regulations, subsequent to public hearing held
30 after due public notice of such hearing by publication at least once in a
31 newspaper having general circulation in the county or district at least

1 ten days prior to such hearing, and enforce the same for the protection
2 of public health and the prevention of communicable diseases within its
3 jurisdiction, subject to the review and approval of such rules and
4 regulations by the Department of Health and Human Services;

5 (8) Make all necessary sanitary and health investigations and
6 inspections;

7 (9) In counties having a population of more than three hundred
8 thousand inhabitants, enact rules and regulations for the protection of
9 public health and the prevention of communicable diseases within the
10 district, except that such rules and regulations shall have no
11 application within the jurisdictional limits of any city of the
12 metropolitan class and shall not be in effect until (a) thirty days after
13 the completion of a three-week publication in a legal newspaper, (b)
14 approved by the county attorney with his or her written approval attached
15 thereto, and (c) filed in the office of the county clerk of such county;

16 (10) Investigate the existence of any contagious or infectious
17 disease and adopt measures, with the approval of the Department of Health
18 and Human Services, to arrest the progress of the same;

19 (11) Distribute free as the local needs may require all vaccines,
20 drugs, serums, and other preparations obtained from the Department of
21 Health and Human Services or purchased for public health purposes by the
22 county board;

23 (12) Upon request, give professional advice and information to all
24 city, village, and school authorities on all matters pertaining to
25 sanitation and public health;

26 (13) Fix the salaries of all employees, including the health
27 director. Such city-county health department may also establish an
28 independent pension plan, retirement plan, or health insurance plan or,
29 by agreement with any participating city or county, provide for the
30 coverage of officers and employees of such city-county health department
31 under such city or county pension plan, retirement plan, or health

1 insurance plan. Officers and employees of a county health department
2 shall be eligible to participate in the county pension plan, retirement
3 plan, or health insurance plan of such county. Officers and employees of
4 a district health department formed by two or more counties shall be
5 eligible to participate in the county retirement plan unless the district
6 health department establishes an independent pension plan or retirement
7 plan for its officers or employees. An employee's benefits under a plan
8 established pursuant to this section shall be subject to subdivision (3)
9 of section 25-1563.01;

10 (14) Establish fees for the costs of all services, including those
11 services for which third-party payment is available; and

12 (15) In addition to powers conferred elsewhere in the laws of the
13 state and notwithstanding any other law of the state, implement and
14 enforce an air pollution control program under subdivision (23) of
15 section 81-1504 or subsection (1) of section 81-1528, which program shall
16 be consistent with the federal Clean Air Act, as amended, 42 U.S.C. 7401
17 et seq. Such powers shall include without limitation those involving
18 injunctive relief, civil penalties, criminal fines, and burden of proof.
19 Nothing in this section shall preclude the control of air pollution by
20 resolution, ordinance, or regulation not in actual conflict with the
21 state air pollution control regulations.

22 Sec. 12. Section 79-948, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 79-948 The (1) Except as provided in subsection (2) of this
25 section, the right of a person to an annuity, an allowance, or any
26 optional benefit under the School Employees Retirement Act, any other
27 right accrued or accruing to any person or persons under such act, the
28 various funds and account created thereby, and all the money,
29 investments, and income thereof shall be exempt from any state, county,
30 municipal, or other local tax, shall not be subject to execution,
31 garnishment, attachment, the operation of bankruptcy or insolvency laws,

1 or any other process of law whatsoever, and shall not be assignable
2 except as provided in subdivision (3) of section 25-1563.01 and except to
3 the extent that such annuity, allowance, or benefit is subject to a
4 qualified domestic relations order under the Spousal Pension Rights Act.
5 ~~The payment of any annuity, allowance, or benefit subject to such order~~
6 ~~shall take priority over any payment made pursuant to subsection (2) of~~
7 ~~this section.~~

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

26 Sec. 13. Section 79-9,104, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 79-9,104 (1) All ~~Except as provided in subsection (4) of this~~
29 ~~section, all~~ annuities and other benefits payable under the Class V
30 School Employees Retirement Act and all accumulated credits of members of
31 the retirement system shall not be assignable or subject to execution,

1 garnishment, or attachment except as provided in subdivision (3) of
2 section 25-1563.01 and except to the extent that such annuity or benefit
3 is subject to a qualified domestic relations order as such term is
4 defined in and which meets the requirements of section 414(p) of the
5 Internal Revenue Code. ~~The payment of any annuity or benefit subject to~~
6 ~~such order shall take priority over any payment made pursuant to~~
7 ~~subsection (4) of this section.~~ Payments under such a qualified domestic
8 relations order shall be made only after the administrator of the
9 retirement system receives written notice of such order and such
10 additional information and documentation as the administrator may
11 require.

12 (2) In lieu of the assignment of a member's future annuity or
13 benefit to the member's spouse or former spouse, the retirement system
14 shall permit the spouse or former spouse of a member to receive, pursuant
15 to a qualified domestic relations order, a single sum payment of a
16 specified percentage of the member's accumulated contributions on the
17 condition that upon the payment of such amount the spouse or former
18 spouse shall have no further interest in the retirement system or in the
19 remaining benefit of the member under the retirement system.

20 (3) A member's interest and benefits under the retirement system
21 shall be reduced, either at termination of employment, retirement,
22 disability, or death, by the actuarial value of the benefit assigned or
23 paid to the member's spouse, former spouse, or other dependents under a
24 qualified domestic relations order, as determined by the plan actuary on
25 the basis of the actuarial assumptions then recommended by the actuary
26 pursuant to section 79-984.

27 ~~(4) If a member of the retirement system is convicted of or pleads~~
28 ~~no contest to a felony that is defined as assault, sexual assault,~~
29 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~
30 ~~is found liable for civil damages as a result of such felony, following~~
31 ~~distribution of the member's annuities or benefits from the retirement~~

1 ~~system, the court may order the payment of the member's annuities or~~
2 ~~benefits earned under the retirement system for such civil damages,~~
3 ~~except that the annuities or benefits to the extent reasonably necessary~~
4 ~~for the support of the member or any of his or her beneficiaries shall be~~
5 ~~exempt from such payment. Any order for payment of annuities or benefits~~
6 ~~shall not be stayed on the filing of any appeal of the conviction. If the~~
7 ~~conviction is reversed on final judgment, all annuities or benefits paid~~
8 ~~as civil damages shall be forfeited and returned to the member. The~~
9 ~~changes made to this section by Laws 2012, LB916, shall apply to persons~~
10 ~~convicted of or who have pled no contest to such a felony and who have~~
11 ~~been found liable for civil damages as a result of such felony prior to,~~
12 ~~on, or after April 7, 2012.~~

13 Sec. 14. Section 81-2032, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 81-2032 All ~~(1) Except as provided in subsection (2) of this~~
16 ~~section, all annuities or benefits which any person shall be entitled to~~
17 ~~receive under the Nebraska State Patrol Retirement Act sections 81-2014~~
18 ~~to 81-2036 shall not be subject to garnishment, attachment, levy, the~~
19 ~~operation of bankruptcy or insolvency laws, or any other process of law~~
20 ~~whatsoever and shall not be assignable except as provided in subdivision~~
21 ~~(3) of section 25-1563.01 and except to the extent that such annuities or~~
22 ~~benefits are subject to a qualified domestic relations order under the~~
23 ~~Spousal Pension Rights Act. The payment of any annuities or benefits~~
24 ~~subject to such order shall take priority over any payment made pursuant~~
25 ~~to subsection (2) of this section.~~

26 ~~(2) If a member of the retirement system is convicted of or pleads~~
27 ~~no contest to a felony that is defined as assault, sexual assault,~~
28 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~
29 ~~is found liable for civil damages as a result of such felony, following~~
30 ~~distribution of the member's annuities or benefits from the retirement~~
31 ~~system, the court may order the payment of the member's annuities or~~

1 ~~benefits under the retirement system for such civil damages, except that~~
2 ~~the annuities or benefits to the extent reasonably necessary for the~~
3 ~~support of the member or any of his or her beneficiaries shall be exempt~~
4 ~~from such payment. Any order for payment of annuities or benefits shall~~
5 ~~not be stayed on the filing of any appeal of the conviction. If the~~
6 ~~conviction is reversed on final judgment, all annuities or benefits paid~~
7 ~~as civil damages shall be forfeited and returned to the member. The~~
8 ~~changes made to this section by Laws 2012, LB916, shall apply to persons~~
9 ~~convicted of or who have pled no contest to such a felony and who have~~
10 ~~been found liable for civil damages as a result of such felony prior to,~~
11 ~~on, or after April 7, 2012.~~

12 Sec. 15. Section 84-1324, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 84-1324 All ~~(1) Except as provided in subsection (2) of this~~
15 ~~section, all annuities or benefits which any person shall be entitled to~~
16 ~~receive under the State Employees Retirement Act shall not be subject to~~
17 ~~garnishment, attachment, levy, the operation of bankruptcy or insolvency~~
18 ~~laws, or any other process of law whatsoever and shall not be assignable~~
19 ~~except as provided in subdivision (3) of section 25-1563.01 and except to~~
20 ~~the extent that such annuities or benefits are subject to a qualified~~
21 ~~domestic relations order under the Spousal Pension Rights Act.—The~~
22 ~~payment of any annuities or benefits subject to such order shall take~~
23 ~~priority over any payment made pursuant to subsection (2) of this~~
24 ~~section.~~

25 ~~(2) If a member of the retirement system is convicted of or pleads~~
26 ~~no contest to a felony that is defined as assault, sexual assault,~~
27 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~
28 ~~is found liable for civil damages as a result of such felony, following~~
29 ~~distribution of the member's annuities or benefits from the retirement~~
30 ~~system, the court may order the payment of the member's annuities or~~
31 ~~benefits under the retirement system for such civil damages, except that~~

1 ~~the annuities or benefits to the extent reasonably necessary for the~~
2 ~~support of the member or any of his or her beneficiaries shall be exempt~~
3 ~~from such payment. Any order for payment of annuities or benefits shall~~
4 ~~not be stayed on the filing of any appeal of the conviction. If the~~
5 ~~conviction is reversed on final judgment, all annuities or benefits paid~~
6 ~~as civil damages shall be forfeited and returned to the member. The~~
7 ~~changes made to this section by Laws 2012, LB916, shall apply to persons~~
8 ~~convicted of or who have pled no contest to such a felony and who have~~
9 ~~been found liable for civil damages as a result of such felony prior to,~~
10 ~~on, or after April 7, 2012.~~

11 Sec. 16. Section 84-1505, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 84-1505 (1) All compensation deferred under the plan, all property
14 and rights purchased with the deferred compensation, and all investment
15 income attributable to the deferred compensation, property, or rights
16 shall be held in trust for the exclusive benefit of participants and
17 their beneficiaries by the State of Nebraska until such time as payments
18 shall be paid under the terms of the deferred compensation plan. All such
19 assets held in trust shall be invested by the state investment officer
20 pursuant to the Nebraska Capital Expansion Act and the Nebraska State
21 Funds Investment Act.

22 (2) The State Treasurer shall be the custodian of the funds and
23 securities of the deferred compensation plan and may deposit the funds
24 and securities in any financial institution approved by the Nebraska
25 Investment Council. All disbursements therefrom shall be paid by him or
26 her only upon vouchers duly authorized by the retirement board. The State
27 Treasurer shall furnish annually to the retirement board a sworn
28 statement of the amount of the funds in his or her custody belonging to
29 the deferred compensation plan, which statement shall be as of the
30 calendar year ending December 31 of each year.

31 (3) ~~All~~ Except as provided in subsection (4) of this section, all

1 compensation deferred under the plan, all property and rights purchased
2 with the deferred compensation, and all investment income attributable to
3 the deferred compensation, property, or rights shall not be subject to
4 garnishment, attachment, levy, the operation of bankruptcy or insolvency
5 laws, or any other process of law whatsoever and shall not be assignable,
6 except that such compensation, property, and rights shall be subject to
7 subdivision (3) of section 25-1563.01 as if such compensation, property,
8 and rights are benefits under a retirement plan.

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

30 Sec. 17. Section 85-106, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 85-106 The Board of Regents shall have the power:

2 (1) To enact laws for the government of the university;

3 (2) To elect a president, vice presidents, chancellors, vice
4 chancellors, deans, associate deans, assistant deans, directors,
5 associate directors, assistant directors, professors, associate
6 professors, assistant professors, instructors, other members of the
7 faculty staff, and employees generally of the university and to provide
8 for academic tenure for professors, associate professors, and assistant
9 professors;

10 (3) To prescribe the duties of such persons not inconsistent with
11 section 85-1,105;

12 (4) To fix their compensation;

13 (5) To provide, in its discretion, retirement benefits for present
14 and future employees of the university, subject to the following:

15 (a) The cost of such retirement benefits shall be funded in
16 accordance with sound actuarial principles with the necessary
17 contributions for both past service and future service being treated in
18 the university budget in the same way as any other operating expense;

19 (b) The university contribution under any such retirement plan shall
20 be (i) the rate established by the Board of Regents and not more than
21 eight percent of each university employee's full-time salary or wage
22 earnings for any calendar year before any agreement for reduction of
23 salary or wage earnings and (ii) pursuant to an agreement for reduction
24 of salary or wage earnings, the amount of the reduction of salary or wage
25 earnings;

26 (c) Each employee's contribution shall be the rate established by
27 the Board of Regents and shall not be required to exceed the university's
28 contribution under subdivision (5)(b)(i) of this section, except that in
29 lieu of making such contribution, each such employee may enter into an
30 agreement for reduction of salary or wages for the purchase by the Board
31 of Regents of annuity contracts for such employee, under the provisions

1 of the Internal Revenue Code, but the amount of the reduction of salary
2 or wages allowable under this subdivision may not include credit for
3 service prior to March 29, 1972;

4 (d) The retirement benefits of any employee for service prior to
5 September 1, 1961, shall be those provided under the retirement plan then
6 in force, which benefits shall not be abridged, except that such
7 retirement benefits shall become fully vested in the event of an
8 employee's termination of employment if such employee has at least ten
9 years of service at the date of termination;

10 (e) Continued contributions to the system until the date of
11 retirement as provided in section 85-606;~~and~~

12 (f) The investment of retirement funds shall be pursuant to the
13 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
14 Act, but no change in the type of investment of such funds shall be made
15 without the prior approval of the Board of Regents; and

16 (g) An employee's retirement benefits are subject to subdivision (3)
17 of section 25-1563.01;

18 (6) To equalize and provide for uniform benefits for all present and
19 future employees, including group life insurance, group hospital-medical
20 insurance, group long-term disability income insurance, and retirement
21 benefits;

22 (7) To provide, through the University Extension Division, for the
23 holding of classes at various localities throughout the state avoiding
24 unnecessary duplication of courses offered by other educational
25 institutions in such localities and consistent with the orders of the
26 Coordinating Commission for Postsecondary Education issued pursuant to
27 sections 85-1413 and 85-1414;

28 (8) To remove the president, vice presidents, chancellors, vice
29 chancellors, deans, associate deans, assistant deans, directors,
30 associate directors, assistant directors, professors, associate
31 professors, assistant professors, instructors, other members of the

1 faculty staff, and employees generally, when the interests of the
2 university require it; and

3 (9) To pay expenses for recruitment of academic, administrative,
4 professional, and managerial personnel.

5 The Board of Regents shall institute a continuing program of
6 preventive maintenance and a program of deferred maintenance consistent
7 with the provisions of the Deferred Building Renewal Act and shall
8 consult with the Nebraska Arts Council and acquire works of art for the
9 original construction of any public building under its supervision
10 consistent with sections 82-317 to 82-329 and 85-106.01 to 85-106.03.

11 Sec. 18. Section 85-320, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 85-320 The Board of Trustees of the Nebraska State Colleges shall
14 have power, in its discretion, to provide retirement benefits for present
15 and future employees of the board, subject to the following: (1) The cost
16 of such retirement benefits shall be funded in accordance with sound
17 actuarial principles with the necessary contributions for both past
18 service and future service being treated in the budgets in the same way
19 as any other operating expense, (2) the state contribution under such
20 retirement plan shall be (a) the amount established by the board before
21 any agreement for reduction of salary or wage earnings, and (b) pursuant
22 to an agreement for reduction of salary or wage earnings, the amount of
23 the reduction of salary or wage earnings, (3) each employee's
24 contribution shall be the amount established by the board and shall not
25 be required to exceed the state's contribution under subdivision (2)(a)
26 of this section, except that in lieu of making such contribution, each
27 such employee may enter into an agreement for reduction of salary or
28 wages for the purchase by the board of annuity contracts for such
29 employee, under the provisions of the Internal Revenue Code, but the
30 amount of the reduction of salary or wages allowable under this
31 subdivision may not include credit for service prior to January 1, 1973,

1 (4) continued contributions to the system shall be made until the date of
2 retirement as provided in section 85-606, and (5) the retirement benefits
3 of any employee for service prior to the effective date of any retirement
4 plan established under the provisions of this section shall be those
5 provided under the retirement plan then in force which benefits shall not
6 be abridged. The investment for such a retirement plan shall be made by
7 the state investment officer, but the state investment officer shall not
8 change the type of investment for such retirement plan without the
9 approval of the Board of Trustees of the Nebraska State Colleges. An
10 employee's benefits under the plan shall be subject to subdivision (3) of
11 section 25-1563.01.

12 Sec. 19. Original sections 16-1019, 16-1038, 23-2322, 25-1563.01,
13 71-1631, 79-948, 79-9,104, 81-2032, 84-1324, 84-1505, 85-106, and 85-320,
14 Reissue Revised Statutes of Nebraska, and sections 2-3228, 14-567,
15 14-2111, 19-3501, 24-710.02, and 48-1401, Revised Statutes Cumulative
16 Supplement, 2014, are repealed.