LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 30

Introduced by Kolterman, 24.

Read first time January 05, 2017

Committee: Nebraska Retirement Systems

A BILL FOR AN ACT relating to retirement; to provide for a cash balance benefit plan by cities of the metropolitan class and primary class for certain police officers or firefighters as prescribed; and to provide a duty for the Revisor of Statutes.

Be it enacted by the people of the State of Nebraska,
Section 1. (1) In order to provide secure and stable retirement benefits for current and future employees, it is the intent of the Legislature that parties consider not only the value of the retirement benefits offered, but also the cost of providing those benefits as part of total compensation. Therefore, beginning January 1, 20XX, no city of the metropolitan class may provide retirement benefits for police officers or firefighters hired on or after January 1, 20XX, unless the retirement benefits are provided pursuant to a cash balance benefit plan. Any person hired as a police officer or a firefighter on or after January 1, 20XX, by a city of the metropolitan class shall satisfy all eligibility requirements as defined by the employer in order to be eligible for participation in the cash balance benefit plan.

(2) For purposes of this section, cash balance benefit means a member's retirement benefit is equal to the employee's contributions plus interest credits and, if vested, the city's contributions plus interest credits and any dividend amounts credited in accordance with the bargaining agreement and reflected in an accompanying city ordinance.

(3) A supplemental retirement plan may be included for the benefit of members hired on or after January 1, 20XX, who are participating in the cash balance benefit plan that do not participate in the federal Old-Age and Survivors Insurance Benefit system. The auxiliary benefit under the supplemental retirement plan shall be funded by additional contributions that are in excess of contribution rates established pursuant to subsection (2) of this section. All contributions made pursuant to this subsection shall be deposited into a defined contribution or cash balance account invested and administered according to the city retirement plan.

Sec. 2. (1) In order to provide secure and stable retirement benefits for current and future employees, it is the intent of the Legislature that parties consider not only the value of the retirement benefits offered, but also the cost of providing those benefits as part
of total compensation. Therefore, beginning January 1, 20XX, no city of
the metropolitan class may provide retirement benefits for police
officers or firefighters hired on or after January 1, 20XX, unless the
retirement benefits are provided pursuant to a cash balance benefit plan.
Any person hired as a police officer or a firefighter on or after January
1, 20XX, by a city of the primary class shall satisfy all eligibility
requirements as defined by the employer in order to be eligible for
participation in the cash balance benefit plan.

(2) For purposes of this section, cash balance benefit means a
member's retirement benefit is equal to the employee's contributions plus
interest credits and, if vested, the city's contributions plus interest
credits and any dividend amounts credited in accordance with the
bargaining agreement and reflected in an accompanying city ordinance.

(3) A supplemental retirement plan may be included for the benefit
of members hired on or after January 1, 20XX, who are participating in
the cash balance benefit plan that do not participate in the federal Old-
Age and Survivors Insurance Benefit system. The auxiliary benefit under
the supplemental retirement plan shall be funded by additional
contributions that are in excess of contribution rates established
pursuant to subsection (2) of this section. All contributions made
pursuant to this subsection shall be deposited into a defined
contribution or cash balance account invested and administered according
to the city retirement plan.

Sec. 3. The Revisor of Statutes shall assign:

(1) Section 1 of this act to Chapter 14, article 5; and

(2) Section 2 of this act to Chapter 15, article 10.