

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 196

FINAL READING

Introduced by Bostar, 29; Brewer, 43; Vargas, 7; Conrad, 46.

Read first time January 09, 2023

Committee: Nebraska Retirement Systems

- 1 A BILL FOR AN ACT relating to public safety officers; to amend sections
- 2 81-8,318 and 81-2017, Revised Statutes Cumulative Supplement, 2022;
- 3 to change provisions relating to claims under the In the Line of
- 4 Duty Compensation Act; to change contributions and assessments under
- 5 the Nebraska State Patrol Retirement Act; to harmonize provisions;
- 6 to repeal the original sections; and to declare an emergency.
- 7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 81-8,318, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 81-8,318 (1) To receive compensation under the In the Line of Duty
4 Compensation Act, a claim for the compensation shall ~~must~~ be filed with
5 the Risk Manager within three years ~~one year~~ after the date of death of
6 the public safety officer who was killed in the line of duty. Such claim
7 shall be on a form prescribed by the Risk Manager and shall include:

8 (a) The name, address, and title or position of the public safety
9 officer who was killed in the line of duty;

10 (b) A copy of the form filed in accordance with subsection (4) of
11 section 81-8,317, if any. If no such form has been filed, the claim shall
12 include the name and address of the person or persons to whom
13 compensation is payable under subdivision (3)(b) of section 81-8,317;

14 (c) A sworn statement providing a full factual account of the
15 circumstances resulting in or the course of events causing the death of
16 the public safety officer; and

17 (d) Such other information as the Risk Manager reasonably requires.

18 (2) The Risk Manager shall send written notice to all claimants
19 within two weeks after the initiation of a claim indicating whether or
20 not the claim is complete. For purposes of this subsection, a claim is
21 complete if a claimant has submitted to the Risk Manager all documents
22 and information required under subsection (1) of this section. If a claim
23 is incomplete, the Risk Manager shall include in the written notice a
24 list of the documents or information which the claimant must submit in
25 order for the claim to be complete. If a claim is complete, ~~the State~~
26 ~~Claims Board shall make~~ an investigation of the claim shall be made in
27 the manner provided in the State Tort Miscellaneous Claims Act in
28 accordance with section 81-8,212. Upon completion of such investigation,
29 and no later than one hundred eighty ~~forty-five~~ days after receipt of a
30 complete claim, the State Claims Board shall approve or deny such claim
31 ~~in accordance with section 81-8,300~~ and the Risk Manager shall send

1 written notice to the claimant stating whether the claim has been
2 approved or denied. If a claim is denied, the notice shall include the
3 reason or reasons for the denial. If a claimant is dissatisfied with a
4 denial, he or she may file an application for review with the district
5 court for Lancaster County Risk Manager in accordance with sections
6 81-8,213 and 81-8,214 subsection (2) of section 81-8,300. If a claim is
7 approved, compensation shall be paid to the claimants entitled to such
8 compensation in accordance with subsection (3) of section 81-8,211
9 81-8,300.

10 (3) This section shall apply to any claim arising on or after
11 January 1, 2022.

12 Sec. 2. Section 81-2017, Revised Statutes Cumulative Supplement,
13 2022, is amended to read:

14 81-2017 (1)(a)(i) (1) Commencing July 1, 2010, and until July 1,
15 2011, each officer while in the service of the Nebraska State Patrol
16 shall pay or have paid on such officer's ~~his or her~~ behalf a sum equal to
17 sixteen percent of such officer's ~~his or her~~ monthly compensation.

18 (ii) Commencing July 1, 2011, and until July 1, 2013, each officer
19 while in the service of the Nebraska State Patrol shall pay or have paid
20 on such officer's ~~his or her~~ behalf a sum equal to nineteen percent of
21 such officer's ~~his or her~~ monthly compensation.

22 (iii)(A) Commencing July 1, 2013, and until July 1, 2024, each
23 officer who commenced service prior to July 1, 2016, while in the service
24 of the Nebraska State Patrol shall pay or have paid on such officer's ~~his~~
25 ~~or her~~ behalf a sum equal to sixteen percent of such officer's ~~his or her~~
26 monthly compensation.

27 (B) Until July 1, 2024, each ~~Each~~ officer who commenced service on
28 or after July 1, 2016, while in the service of the Nebraska State Patrol
29 shall pay or have paid on such officer's ~~his or her~~ behalf a sum equal to
30 seventeen percent of such officer's ~~his or her~~ monthly compensation.

31 (iv) Commencing July 1, 2024, each officer while in the service of

1 the Nebraska State Patrol shall pay or have paid on such officer's behalf
2 a sum equal to ten percent of such officer's monthly compensation.

3 (b) Such amounts shall be deducted monthly by the Director of
4 Administrative Services who shall draw a warrant monthly in the amount of
5 the total deductions from the compensation of members of the Nebraska
6 State Patrol in accordance with subsection (4) of this section, and the
7 State Treasurer shall credit the amount of such warrant to the State
8 Patrol Retirement Fund. The director shall cause a detailed report of all
9 monthly deductions to be made each month to the board.

10 (2) In addition: 7

11 (a)(i) Commencing commencing July 1, 2010, and until July 1, 2011,
12 there shall be assessed against the appropriation of the Nebraska State
13 Patrol a sum equal to the amount of sixteen percent of each officer's
14 monthly compensation, which shall be credited to the State Patrol
15 Retirement Fund.

16 (ii) Commencing July 1, 2011, and until July 1, 2013, there shall be
17 assessed against the appropriation of the Nebraska State Patrol a sum
18 equal to the amount of nineteen percent of each officer's monthly
19 compensation, which shall be credited to the State Patrol Retirement
20 Fund.

21 (iii)(A) Commencing July 1, 2013, and until July 1, 2024, for each
22 officer who commenced service prior to July 1, 2016, there shall be
23 assessed against the appropriation of the Nebraska State Patrol a sum
24 equal to the amount of sixteen percent of each officer's monthly
25 compensation, which shall be credited to the State Patrol Retirement
26 Fund.

27 (B) Commencing July 1, 2016, and until July 1, 2024, for each
28 officer who commenced service on or after July 1, 2016, there shall be
29 assessed against the appropriation of the Nebraska State Patrol a sum
30 equal to the amount of seventeen percent of each officer's monthly
31 compensation, which shall be credited to the State Patrol Retirement

1 Fund.

2 (iv) Commencing July 1, 2024, there shall be assessed against the
3 appropriation of the Nebraska State Patrol a sum equal to the amount of
4 twenty-four percent of each officer's monthly compensation, which shall
5 be credited to the State Patrol Retirement Fund.

6 (b) This assessment constitutes an employer match and shall be
7 contingent upon the officer making such officer's ~~his or her~~
8 contributions to the retirement system.

9 (3)(a) Prior to July 1, 2021:

10 (i) Beginning July 1, 2002, and each fiscal year thereafter, the
11 board shall cause an annual actuarial valuation to be performed that will
12 value the plan assets for the year and ascertain the contributions
13 required for such fiscal year. The actuary for the board shall perform an
14 actuarial valuation of the system on the basis of actuarial assumptions
15 recommended by the actuary, approved by the board, and kept on file with
16 the board using the entry age actuarial cost method. Under this method,
17 the actuarially required funding rate is equal to the normal cost rate,
18 plus the contribution rate necessary to amortize the unfunded actuarial
19 accrued liability on a level percentage of salary basis. The normal cost
20 under this method shall be determined for each individual member on a
21 level percentage of salary basis. The normal cost amount is then summed
22 for all members;

23 (ii) Beginning July 1, 2006, any existing unfunded liabilities shall
24 be reinitialized and amortized over a thirty-year period, and during each
25 subsequent actuarial valuation through June 30, 2021, changes in the
26 unfunded actuarial accrued liability due to changes in benefits,
27 actuarial assumptions, the asset valuation method, or actuarial gains or
28 losses shall be measured and amortized over a thirty-year period
29 beginning on the valuation date of such change;

30 (iii) If the unfunded actuarial accrued liability under the entry
31 age actuarial cost method is zero or less than zero on an actuarial

1 valuation date, then all prior unfunded actuarial accrued liabilities
2 shall be considered fully funded and the unfunded actuarial accrued
3 liability shall be reinitialized and amortized over a thirty-year period
4 as of the actuarial valuation date; and

5 (iv) If the actuarially required contribution rate exceeds the rate
6 of all contributions required pursuant to the Nebraska State Patrol
7 Retirement Act, there shall be a supplemental appropriation sufficient to
8 pay for the differences between the actuarially required contribution
9 rate and the rate of all contributions required pursuant to the act.

10 (b) Beginning July 1, 2021, and each fiscal year thereafter:

11 (i) The board shall cause an annual actuarial valuation to be
12 performed that will value the plan assets for the year and ascertain the
13 contributions required for such fiscal year. The actuary for the board
14 shall perform an actuarial valuation of the system on the basis of
15 actuarial assumptions recommended by the actuary, approved by the board,
16 and kept on file with the board using the entry age actuarial cost
17 method. Under such method, the actuarially required funding rate is equal
18 to the normal cost rate, plus the contribution rate necessary to amortize
19 the unfunded actuarial accrued liability on a level percentage of salary
20 basis. The normal cost under such method shall be determined for each
21 individual member on a level percentage of salary basis. The normal cost
22 amount is then summed for all members;

23 (ii) Any changes in the unfunded actuarial accrued liability due to
24 changes in benefits, actuarial assumptions, the asset valuation method,
25 or actuarial gains or losses shall be measured and amortized over a
26 twenty-five-year period beginning on the valuation date of such change;

27 (iii) If the unfunded actuarial accrued liability under the entry
28 age actuarial cost method is zero or less than zero on an actuarial
29 valuation date, then all prior unfunded actuarial accrued liabilities
30 shall be considered fully funded and the unfunded actuarial accrued
31 liability shall be reinitialized and amortized over a twenty-five-year

1 period as of the actuarial valuation date; and

2 (iv) If the actuarially required contribution rate exceeds the rate
3 of all contributions required pursuant to the Nebraska State Patrol
4 Retirement Act, there shall be a supplemental appropriation sufficient to
5 pay for the differences between the actuarially required contribution
6 rate and the rate of all contributions required pursuant to the act.

7 (c) Upon the recommendation of the actuary to the board, and after
8 the board notifies the Nebraska Retirement Systems Committee of the
9 Legislature, the board may combine or offset certain amortization bases
10 to reduce future volatility of the actuarial contribution rate. Such
11 notification to the committee shall be in writing and include, at a
12 minimum, the actuary's projection of the contributions to fund the plan
13 if the combination or offset were not implemented, the actuary's
14 projection of the contributions to fund the plan if the combination or
15 offset were implemented, and the actuary's explanation of why the
16 combination or offset is in the best interests of the plan at the
17 proposed time.

18 (4) The state shall pick up the member contributions required by
19 this section for all compensation paid on or after January 1, 1985, and
20 the contributions so picked up shall be treated as employer contributions
21 pursuant to section 414(h)(2) of the Internal Revenue Code in determining
22 federal tax treatment under the code and shall not be included as gross
23 income of the member until such time as they are distributed or made
24 available. The contributions, although designated as member
25 contributions, shall be paid by the state in lieu of member
26 contributions. The state shall pay these member contributions from the
27 same source of funds which is used in paying earnings to the member. The
28 state shall pick up these contributions by a compensation deduction
29 through a reduction in the cash compensation of the member. Member
30 contributions picked up shall be treated for all purposes of the Nebraska
31 State Patrol Retirement Act in the same manner and to the extent as

1 member contributions made prior to the date picked up.

2 Sec. 3. Original sections 81-8,318 and 81-2017, Revised Statutes
3 Cumulative Supplement, 2022, are repealed.

4 Sec. 4. Since an emergency exists, this act takes effect when
5 passed and approved according to law.