

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 108

FINAL READING

Introduced by Jacobson, 42; Raybould, 28; Ballard, 21; Rountree, 3;
Conrad, 46.

Read first time January 10, 2025

Committee: Nebraska Retirement Systems

- 1 A BILL FOR AN ACT relating to the Cities of the First Class Firefighters
- 2 Retirement Act; to amend sections 16-1024 and 16-1025, Revised
- 3 Statutes Cumulative Supplement, 2024; to change provisions relating
- 4 to contributions to the retirement system; to repeal the original
- 5 sections; and to declare an emergency.
- 6 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 16-1024, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 16-1024 (1)(a) Except when subdivision (b) of this subsection
4 applies, each ~~Each~~ firefighter participating in the retirement system
5 shall contribute to the retirement system a sum equal to:

6 (i) Until September 30, 2024, six and one-half percent of his or her
7 salary;

8 (ii) Beginning October 1, 2024, and until September 30, 2025, eight
9 and seven-tenths percent of his or her salary;

10 (iii) Beginning October 1, 2025, and until September 30, 2026, ten
11 and seven-tenths percent of his or her salary; and

12 (iv) Beginning October 1, 2026, twelve and seven-tenths percent of
13 his or her salary.

14 **(b)** Beginning March 1, 2025, each firefighter shall contribute to
15 the retirement system a sum equal to six and one-half percent of his or
16 her salary if such firefighter is:

17 (i) Employed as a firefighter by a city:

18 (A) With a population of more than sixty thousand inhabitants; and

19 (B) That is located in a county with a population of more than one
20 hundred thousand inhabitants;

21 (ii) Participating in the retirement system; and

22 (iii) Covered by an absolute coverage group.

23 (c) Any such payment described in subdivision (a) or (b) of this
24 subsection (b) Such payment shall be made by regular payroll deductions
25 from his or her periodic salary and shall be credited to his or her
26 employee account on a monthly basis. Each such account shall also be
27 credited with regular interest.

28 (d) ~~(e)~~ Beginning July 20, 2024, each firefighter covered by an
29 absolute coverage group and participating in the retirement system shall
30 receive an offset from his or her retirement system contribution equal to
31 six and two-tenths percent of his or her salary. This subdivision (1)(d)

1 ~~(1)(e)~~ shall not apply to any firefighter, covered by an absolute
2 coverage group, employed as a firefighter by a city with a population of
3 more than sixty thousand inhabitants located in a county with a
4 population of more than one hundred thousand inhabitants.

5 (2) Each city of the first class with firefighters participating in
6 a retirement system shall pick up the firefighters' contributions
7 required by subsection (1) of this section for all compensation paid on
8 or after January 1, 1984, and the contributions so picked up shall be
9 treated as employer contributions in determining federal income tax
10 treatment under the Internal Revenue Code, except that the city shall
11 continue to withhold federal income taxes based upon such contributions
12 until the Internal Revenue Service or the federal courts rule that,
13 pursuant to section 414(h) of the Internal Revenue Code, such
14 contributions shall not be included as gross income of the employee until
15 such time as they are distributed from the retirement system. The city
16 shall pay the employee contributions from the same source of funds which
17 is used in paying compensation to the employee. The city shall pick up
18 the employee contributions by a salary deduction either through a
19 reduction in the cash salary of the employee or a combination of a
20 reduction in salary and offset against a future salary increase. In no
21 event shall a firefighter be given an option to choose to receive the
22 amount of the required contribution in lieu of having such contribution
23 paid directly to the retirement system.

24 (3) Each firefighter participating in the retirement system shall be
25 entitled to make voluntary cash contributions to the retirement system in
26 an amount not to exceed the contribution limitations established by the
27 Internal Revenue Code. Voluntary contributions shall be credited to the
28 employee account and shall thereafter be credited with regular interest.
29 A voluntary contribution shall become a part of the Firefighters
30 Retirement System Fund and shall be held, administered, invested, and
31 distributed in the same manner as any other employee contribution to the

1 retirement system.

2 **Sec. 2.** Section 16-1025, Revised Statutes Cumulative Supplement,
3 2024, is amended to read:

4 16-1025 (1)(a) Except when subdivision (b) of this subsection
5 applies, beginning ~~Beginning~~ January 1, 1984, each city of the first
6 class with firefighters participating in a retirement system shall
7 contribute to the retirement system a sum equal to:

8 (i) Until September 30, 2025, thirteen percent of each such
9 participating firefighter's periodic salary;

10 (ii) Beginning October 1, 2025, and until September 30, 2026,
11 fourteen percent of each such participating firefighter's periodic
12 salary; and

13 (iii) Beginning October 1, 2026, fifteen percent of each such
14 participating firefighter's periodic salary.

15 (b) Beginning March 1, 2025, each city of the first class shall
16 contribute to the retirement system a sum equal to thirteen percent of
17 the periodic salary of each participating firefighter described in
18 subdivision (b)(iii) of this subsection if such city:

19 (i) Has a population of more than sixty thousand inhabitants;

20 (ii) Is located in a county with a population of more than one
21 hundred thousand inhabitants; and

22 (iii) Employs any firefighter who is:

23 (A) Participating in the retirement system; and

24 (B) Covered by an absolute coverage group.

25 (c) Any such payment described in subdivision (a) or (b) of this
26 subsection (b) Such payment shall be credited to his or her employer
27 account on a monthly basis. Each such account shall also be credited with
28 regular interest. The city shall also contribute to the employer account
29 of any firefighter employed by the city on January 1, 1984, an amount
30 equal to the employee's contributions, without interest, that were made
31 to the city prior to January 1, 1984, with such contribution to be made

1 at the time the firefighter retires or terminates employment with the
2 city. The city may contribute such amount before the firefighter's
3 retirement or termination of employment or credit interest on such
4 contribution.

5 ~~(d)~~ ~~(e)~~ Beginning July 20, 2024, each city of the first class with
6 firefighters covered by an absolute coverage group and participating in a
7 retirement system shall receive an offset from the retirement system
8 contribution equal to six and two-tenths of each such participating
9 firefighter's periodic salary. This subdivision ~~(1)(d)~~ ~~(1)(e)~~ shall not
10 apply to any city with a population of sixty thousand or more inhabitants
11 located in a county with a population of one hundred thousand or more
12 inhabitants with firefighters covered by an absolute coverage group.

13 (2) Each such city shall contribute any additional amounts necessary
14 to fund retirement or other retirement plan benefits not provided by
15 employee contributions or city contributions to the employer account
16 required by subsection (1) of this section. Such additional contributions
17 shall be accumulated in an unallocated employer account of the
18 Firefighters Retirement System Fund and used to provide the benefits, if
19 any, specified in sections 16-1027 and 16-1029 to 16-1031 which are not
20 otherwise funded by the firefighter's retirement value. Funds needed to
21 provide for a firefighter's benefits shall be transferred from the
22 unallocated employer account when and as such funds are needed. All funds
23 committed by the city to the funding of a firefighter pension system on
24 January 1, 1984, that are not transferred to the firefighters employee
25 accounts shall be transferred to the unallocated employer account.

26 **Sec. 3.** Original sections 16-1024 and 16-1025, Revised Statutes
27 Cumulative Supplement, 2024, are repealed.

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