

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1101**

FINAL READING

Introduced by Nebraska Retirement Systems Committee: Ballard, 21,  
Chairperson; Clements, 2; Hardin, 48; Juarez, 5;  
Sorrentino, 39.

Read first time January 16, 2026

Committee: Nebraska Retirement Systems

- 1 A BILL FOR AN ACT relating to the Judges Retirement Act; to amend section
- 2 24-710.14, Reissue Revised Statutes of Nebraska, section 24-710,
- 3 Revised Statutes Cumulative Supplement, 2024, and section 24-703,
- 4 Revised Statutes Supplement, 2025; to change contribution rates; to
- 5 change provisions relating to retirement annuities and annual
- 6 benefit adjustments; to define a term; to repeal the original
- 7 sections; and to declare an emergency.
- 8 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 24-703, Revised Statutes Supplement, 2025, is  
2 amended to read:

3           24-703 (1) Each original member shall contribute monthly four  
4 percent of his or her monthly compensation to the fund until the maximum  
5 benefit as limited in subsection (1) of section 24-710 has been earned.  
6 It shall be the duty of the Director of Administrative Services in  
7 accordance with subsection (7) of this section to make a deduction of  
8 four percent on the monthly payroll of each original member who is a  
9 judge of the Supreme Court, a judge of the Court of Appeals, a judge of  
10 the district court, a judge of a separate juvenile court, a judge of the  
11 county court, a clerk magistrate of the county court who was an associate  
12 county judge and a member of the fund at the time of his or her  
13 appointment as a clerk magistrate, or a judge of the Nebraska Workers'  
14 Compensation Court showing the amount to be deducted and its credit to  
15 the fund. The Director of Administrative Services and the State Treasurer  
16 shall credit the four percent as shown on the payroll and the amounts  
17 received from the various counties to the fund and remit the same to the  
18 director in charge of the judges retirement system who shall keep an  
19 accurate record of the contributions of each judge.

20           (2)(a) In addition to the contribution required under subdivision  
21 (c) of this subsection, beginning on July 1, 2004, each future member who  
22 became a member prior to July 1, 2015, and who has not elected to make  
23 contributions and receive benefits as provided in section 24-703.03 shall  
24 contribute monthly six percent of his or her monthly compensation to the  
25 fund until the maximum benefit as limited in subsection (2) of section  
26 24-710 has been earned. After the maximum benefit as limited in  
27 subsection (2) of section 24-710 has been earned, such future member  
28 shall make no further contributions to the fund, except that (i) any time  
29 the maximum benefit is changed, a future member who has previously earned  
30 the maximum benefit as it existed prior to the change shall contribute  
31 monthly six percent of his or her monthly compensation to the fund until

1 the maximum benefit as changed and as limited in subsection (2) of  
2 section 24-710 has been earned and (ii) such future member shall continue  
3 to make the contribution required under subdivision (c) of this  
4 subsection.

5 (b) In addition to the contribution required under subdivision (c)  
6 of this subsection, beginning on July 1, 2004, a judge who became a  
7 member prior to July 1, 2015, and who first serves as a judge on or after  
8 July 1, 2004, or a future member who became a member prior to July 1,  
9 2015, and who elects to make contributions and receive benefits as  
10 provided in section 24-703.03 shall contribute monthly eight percent of  
11 his or her monthly compensation to the fund until the maximum benefit as  
12 limited by subsection (2) of section 24-710 has been earned. In addition  
13 to the contribution required under subdivision (c) of this subsection,  
14 after the maximum benefit as limited in subsection (2) of section 24-710  
15 has been earned, such judge or future member shall contribute monthly  
16 four percent of his or her monthly compensation to the fund for the  
17 remainder of his or her active service.

18 (c) Beginning on July 1, 2009, a member or judge described in  
19 subdivisions (a) and (b) of this subsection shall contribute monthly an  
20 additional one percent of his or her monthly compensation to the fund.

21 (d) Beginning on July 1, 2015, a judge who first serves as a judge  
22 on or after such date shall contribute monthly ten percent of his or her  
23 monthly compensation to the fund prior to July 1, 2026.

24 (e) Beginning on July 1, 2026, a judge who first serves as a judge  
25 on or after July 1, 2015:

26 (i) If the benefits entitled to such judge under subsection (2) of  
27 section 24-710 have not reached the maximum retirement benefit base limit  
28 under such subsection, shall contribute monthly nine percent of his or  
29 her monthly compensation to the fund; and

30 (ii) If the benefits entitled to such judge under subsection (2) of  
31 section 24-710 have reached the maximum retirement benefit base limit

1 under such subsection, shall contribute monthly five percent of his or  
2 her monthly compensation to the fund for the remainder of his or her  
3 active service.

4 (f) ~~(e)~~ It shall be the duty of the Director of Administrative  
5 Services to make a deduction on the monthly payroll of each such future  
6 member who is a judge of the Supreme Court, a judge of the Court of  
7 Appeals, a judge of the district court, a judge of a separate juvenile  
8 court, a judge of the county court, a clerk magistrate of the county  
9 court who was an associate county judge and a member of the fund at the  
10 time of his or her appointment as a clerk magistrate, or a judge of the  
11 Nebraska Workers' Compensation Court showing the amount to be deducted  
12 and its credit to the fund. This shall be done each month. The Director  
13 of Administrative Services and the State Treasurer shall credit the  
14 amount as shown on the payroll and the amounts received from the various  
15 counties to the fund and remit the same to the director in charge of the  
16 judges retirement system who shall keep an accurate record of the  
17 contributions of each judge.

18 (3)(a) Except as otherwise provided in this subsection, a Nebraska  
19 Retirement Fund for Judges fee of six dollars through June 30, 2021,  
20 eight dollars beginning July 1, 2021, through June 30, 2022, nine dollars  
21 beginning July 1, 2022, through June 30, 2023, ten dollars beginning July  
22 1, 2023, through June 30, 2024, eleven dollars beginning July 1, 2024,  
23 through June 30, 2025, and twelve dollars beginning July 1, 2025, shall  
24 be taxed as costs in each (i) civil cause of action, criminal cause of  
25 action, traffic misdemeanor or infraction, and city or village ordinance  
26 violation filed in the district courts, the county courts, and the  
27 separate juvenile courts, (ii) filing in the district court of an order,  
28 award, or judgment of the Nebraska Workers' Compensation Court or any  
29 judge thereof pursuant to section 48-188, (iii) appeal or other  
30 proceeding filed in the Court of Appeals, and (iv) original action,  
31 appeal, or other proceeding filed in the Supreme Court. In county courts

1 a sum shall be charged which is equal to ten percent of each fee provided  
2 by sections 33-125, 33-126.02, 33-126.03, and 33-126.06, rounded to the  
3 nearest even dollar. No judges retirement fee shall be charged for filing  
4 a report pursuant to sections 33-126.02 and 33-126.06.

5 (b) The fee increases described in subdivision (a) of this  
6 subsection shall not be taxed as a cost in any criminal cause of action,  
7 traffic misdemeanor or infraction, or city or village ordinance violation  
8 filed in the district court or the county court. The fee on such criminal  
9 causes of action, traffic misdemeanors or infractions, or city or village  
10 ordinance violations shall remain six dollars on and after July 1, 2021.

11 (c) When collected by the clerk of the district or county court,  
12 such fees shall be remitted to the State Treasurer within ten days after  
13 the close of each calendar month for credit to the Nebraska Retirement  
14 Fund for Judges. In addition, information regarding collection of court  
15 fees shall be submitted to the director in charge of the judges  
16 retirement system by the State Court Administrator within ten days after  
17 the close of each calendar month.

18 (d) The board may charge a late administrative processing fee not to  
19 exceed twenty-five dollars if the information is not timely received or  
20 the money is delinquent. In addition, the board may charge a late fee of  
21 thirty-eight thousandths of one percent of the amount required to be  
22 submitted pursuant to this section for each day such amount has not been  
23 received. Such late fees shall be remitted to the director who shall  
24 promptly thereafter remit such fees to the State Treasurer for credit to  
25 the fund.

26 (e) No Nebraska Retirement Fund for Judges fee which is  
27 uncollectible for any reason shall be waived by a county judge as  
28 provided in section 29-2709.

29 (4) All expenditures from the fund shall be authorized by voucher in  
30 the manner prescribed in section 24-713. The fund shall be used for the  
31 payment of all annuities and other benefits to members and their

1 beneficiaries and for the expenses of administration.

2 (5)(a) Prior to July 1, 2021:

3 (i) Beginning July 1, 2013, and each fiscal year thereafter, the  
4 board shall cause an annual actuarial valuation to be performed that will  
5 value the plan assets for the year and ascertain the contributions  
6 required for such fiscal year. The actuary for the board shall perform an  
7 actuarial valuation of the system on the basis of actuarial assumptions  
8 recommended by the actuary, approved by the board, and kept on file with  
9 the board using the entry age actuarial cost method. Under this method,  
10 the actuarially required funding rate is equal to the normal cost rate,  
11 plus the contribution rate necessary to amortize the unfunded actuarial  
12 accrued liability on a level percentage of salary basis. The normal cost  
13 under this method shall be determined for each individual member on a  
14 level percentage of salary basis. The normal cost amount is then summed  
15 for all members;

16 (ii) Beginning July 1, 2006, any existing unfunded liabilities shall  
17 be reinitialized and amortized over a thirty-year period, and during each  
18 subsequent actuarial valuation through June 30, 2021, changes in the  
19 unfunded actuarial accrued liability due to changes in benefits,  
20 actuarial assumptions, the asset valuation method, or actuarial gains or  
21 losses shall be measured and amortized over a thirty-year period  
22 beginning on the valuation date of such change;

23 (iii) If the unfunded actuarial accrued liability under the entry  
24 age actuarial cost method is zero or less than zero on an actuarial  
25 valuation date, then all prior unfunded actuarial accrued liabilities  
26 shall be considered fully funded and the unfunded actuarial accrued  
27 liability shall be reinitialized and amortized over a thirty-year period  
28 as of the actuarial valuation date; and

29 (iv) If the actuarially required contribution rate exceeds the rate  
30 of all contributions required pursuant to the Judges Retirement Act,  
31 there shall be a supplemental appropriation sufficient to pay for the

1 differences between the actuarially required contribution rate and the  
2 rate of all contributions required pursuant to the Judges Retirement Act.

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

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

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

20 (iii) If the unfunded actuarial accrued liability under the entry  
21 age actuarial cost method is zero or less than zero on an actuarial  
22 valuation date, then all prior unfunded actuarial accrued liabilities  
23 shall be considered fully funded and the unfunded actuarial accrued  
24 liability shall be reinitialized and amortized over a twenty-five-year  
25 period as of the actuarial valuation date; and

26 (iv) If the actuarially required contribution rate exceeds the rate  
27 of all contributions required pursuant to the Judges Retirement Act,  
28 there shall be a supplemental appropriation sufficient to pay for the  
29 differences between the actuarially required contribution rate and the  
30 rate of all contributions required pursuant to the act.

31 (c) Upon the recommendation of the actuary to the board, and after

1 the board notifies the Nebraska Retirement Systems Committee of the  
2 Legislature, the board may combine or offset certain amortization bases  
3 to reduce future volatility of the actuarial contribution rate. Such  
4 notification to the committee shall be in writing and include, at a  
5 minimum, the actuary's projection of the contributions to fund the plan  
6 if the combination or offset were not implemented, the actuary's  
7 projection of the contributions to fund the plan if the combination or  
8 offset were implemented, and the actuary's explanation of why the  
9 combination or offset is in the best interests of the plan at the  
10 proposed time.

11 (d) For purposes of this subsection, the rate of all contributions  
12 required pursuant to the Judges Retirement Act includes (i) member  
13 contributions, (ii) state contributions pursuant to subsection (6) of  
14 this section which shall be considered as a contribution for the plan  
15 year ending the prior June 30, (iii) court fees as provided in subsection  
16 (3) of this section, and (iv) all fees pursuant to sections 25-2804,  
17 33-103, 33-103.01, 33-106.02, 33-123, 33-124, 33-125, 33-126.02,  
18 33-126.03, and 33-126.06, as directed to be remitted to the fund.

19 ~~(6)(a)(i)~~ ~~(6)(a)~~ In addition to the contributions otherwise required  
20 by this section, beginning July 1, 2023, and on July 1 of each year  
21 thereafter, the state shall contribute from the General Fund to the  
22 Nebraska Retirement Fund for Judges an amount equal to the following five  
23 percent of the total annual compensation of all members of the retirement  
24 system except as otherwise provided in this subsection and as such rate  
25 shall be adjusted or terminated by the Legislature: -

26 (A) Prior to July 1, 2026, five percent; and

27 (B) Beginning July 1, 2026, zero percent.

28 (ii) No adjustment may cause the total contribution rate established  
29 in this subsection to exceed five percent.

30 (iii) For purposes of this subsection: -

31 (A) Total ~~(i) total~~ annual compensation is based on the total member

1 compensation reported in the most recent annual actuarial valuation  
2 report for the retirement system produced for the board pursuant to  
3 section 84-1503; and

4 (B) The ~~(ii)~~ the contribution described in this subsection shall be  
5 considered as a contribution for the plan year ending the prior June 30.

6 (b) If the funded ratio on the actuarial value of assets is at or  
7 above one hundred percent for two consecutive years as reported in the  
8 annual actuarial valuation report, the actuary shall assess whether the  
9 percentage of the state contribution rate should be adjusted based on  
10 projected annual actuarial valuation report results including the funded  
11 ratio, actuarial contribution, and expected revenue sources using several  
12 assumed investment return scenarios that the actuary deems to be  
13 reasonable, and shall make a recommendation to the board as part of the  
14 annual actuarial valuation report.

15 (c) If the state contribution rate has been adjusted to less than  
16 five percent and the funded ratio on the actuarial value of assets is  
17 below one hundred percent for two consecutive years as reported in the  
18 annual actuarial valuation report, the actuary shall assess whether the  
19 percentage of the state contribution rate should be adjusted based on  
20 projected annual actuarial valuation report results including the funded  
21 ratio, actuarial contribution, and expected revenue sources using several  
22 assumed investment return scenarios that the actuary deems to be  
23 reasonable, and shall make a recommendation to the board as part of the  
24 annual actuarial valuation report.

25 (d) If an annual actuarial valuation report includes a  
26 recommendation from the actuary to adjust the contribution rate as  
27 described in subdivision (b) or (c) of this subsection, the board shall  
28 provide written notice electronically to the Nebraska Retirement Systems  
29 Committee of the Legislature, to the Governor, and to the Supreme Court  
30 of such recommendation within seven business days after voting to approve  
31 an annual actuarial valuation report. The notice shall include the

1 actuary's recommendation and analysis regarding such adjustment.

2 (e) Following receipt of the actuary's recommendation and analysis  
3 pursuant to this subsection, the Nebraska Retirement Systems Committee of  
4 the Legislature shall determine the amount of any adjustment of the  
5 contribution rate and, if necessary, shall propose any such adjustment to  
6 the Legislature.

7 (7) The state or county shall pick up the member contributions  
8 required by this section for all compensation paid on or after January 1,  
9 1985, and the contributions so picked up shall be treated as employer  
10 contributions pursuant to section 414(h)(2) of the Internal Revenue Code  
11 in determining federal tax treatment under the code and shall not be  
12 included as gross income of the member until such time as they are  
13 distributed or made available. The contributions, although designated as  
14 member contributions, shall be paid by the state or county in lieu of  
15 member contributions. The state or county shall pay these member  
16 contributions from the same source of funds which is used in paying  
17 earnings to the member. The state or county shall pick up these  
18 contributions by a compensation deduction through a reduction in the  
19 compensation of the member. Member contributions picked up shall be  
20 treated for all purposes of the Judges Retirement Act in the same manner  
21 and to the extent as member contributions made prior to the date picked  
22 up.

23 **Sec. 2.** Section 24-710, Revised Statutes Cumulative Supplement,  
24 2024, is amended to read:

25 24-710 (1) The retirement annuity of a judge who is an original  
26 member, who has not made the election provided for in section 24-710.01,  
27 and who retires under section 24-708 or 24-709 shall be computed as  
28 follows: Each such judge shall be entitled to receive an annuity, each  
29 monthly payment of which shall be in an amount equal to three and one-  
30 third percent of his or her final average compensation as such judge,  
31 multiplied by the number of his or her years of creditable service. The

1 amount stated in this section shall be supplemental to any benefits  
2 received by such judge under the Nebraska and federal old age and  
3 survivors' insurance acts at the date of retirement, but the monthly  
4 combined benefits received thereunder and by the Judges Retirement Act  
5 shall not exceed sixty-five percent of the final average compensation  
6 such judge was receiving when he or she last served as such judge. The  
7 amount of retirement annuity of a judge who retires under section 24-708  
8 or 24-709 shall not be less than twenty-five dollars per month if he or  
9 she has four years or more of service credit.

10 (2)(a) ~~(2)~~ The retirement annuity of a judge who is a future member  
11 and who retires after July 1, 1986, under section 24-708 or 24-709 shall  
12 be computed as follows: Each such judge shall be entitled to receive an  
13 annuity, each monthly payment of which shall be in an amount equal to  
14 three and one-half percent of his or her final average compensation as  
15 such judge, multiplied by the number of his or her years of creditable  
16 service, except that prior to an actuarial factor adjustment for purposes  
17 of calculating an optional form of annuity benefits under subsection (3)  
18 of this section, the monthly benefits received under this subsection  
19 shall not exceed the maximum retirement benefit base limit.

20 (b) For purposes of this subsection, maximum retirement benefit base  
21 limit means the benefits that are received under this subsection that are  
22 seventy percent of the final average compensation such judge was  
23 receiving when he or she last served as such judge.

24 (3) Except as provided in section 42-1107, any member may, when  
25 filing an application as provided by the retirement system, elect to  
26 receive, in lieu of the normal form annuity benefits to which the member  
27 or his or her beneficiary may otherwise be entitled under the Judges  
28 Retirement Act, an optional form of annuity benefits which the board may  
29 by rules and regulations provide, the value of which, determined by  
30 accepted actuarial methods and on the basis of actuarial assumptions  
31 recommended by the actuary, approved by the board, and kept on file in

1 the office of the director, is equal to the value of the benefit  
2 replaced. The board may (a) adopt and promulgate appropriate rules and  
3 regulations to establish joint and survivorship annuities, with and  
4 without reduction on the death of the first annuitant, and such other  
5 forms of annuities as may in its judgment be appropriate and establishing  
6 benefits as provided in sections 24-707 and 24-707.01, (b) prescribe  
7 appropriate forms for making the election by the members, and (c) provide  
8 for the necessary actuarial services to make the required valuations.

9 (4) A one-time cost-of-living adjustment shall be made for each  
10 retired judge and each surviving beneficiary who is receiving a  
11 retirement annuity as provided for in this section. The annuity shall be  
12 adjusted by the increase in the cost of living or wage levels between the  
13 effective date of retirement and June 30, 1992, except that such  
14 increases shall not exceed three percent per year of retirement and the  
15 total increase shall not exceed two hundred fifty dollars per month.

16 **Sec. 3.** Section 24-710.14, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 24-710.14 (1) This section applies to ~~On July 1 of each year, for~~  
19 judges who became members on or after July 1, 2015. ÷

20 (2)(a) (1) The board shall determine the number of retired members  
21 or beneficiaries in the retirement system who became members on or after  
22 July 1, 2015, and an annual benefit adjustment shall be made by the board  
23 for each retired member or beneficiary. The benefit paid to a retired  
24 member or beneficiary under this section shall be increased annually by  
25 the lesser of:

26 (i) The ~~(a) the~~ percentage change in the Consumer Price Index for  
27 Urban Wage Earners and Clerical Workers for the period between June 30 of  
28 the prior year to June 30 of the present year; or

29 (ii)(A) Prior to July 1, 2026, ~~(b) one percent; or~~ ÷

30 (B) Beginning on and after July 1, 2026, two and one-half percent.

31 (b) If the consumer price index used in this section is discontinued

1 or replaced, a substitute index published by the United States Department  
2 of Labor shall be selected by the board which shall be a reasonable  
3 representative measurement of the cost-of-living for retired employees. ÷

4 (3) ~~(2)~~ Each retired member or beneficiary shall receive the sum of  
5 the annual benefit adjustment and such retiree's total monthly benefit  
6 less withholding, which sum shall be the retired member's or  
7 beneficiary's adjusted total monthly benefit. Each retired member or  
8 beneficiary shall receive the adjusted total monthly benefit until the  
9 expiration of the annuity option selected by the member or until the  
10 retired member or beneficiary again qualifies for the annual benefit  
11 adjustment, whichever occurs first. ÷ ~~and~~

12 (4) ~~(3)~~ The annual benefit adjustment pursuant to this section shall  
13 not cause a current benefit to be reduced, and a retired member or  
14 beneficiary shall never receive less than the adjusted total monthly  
15 benefit until the annuity option selected by the member expires.

16 **Sec. 4.** Original section 24-710.14, Reissue Revised Statutes of  
17 Nebraska, section 24-710, Revised Statutes Cumulative Supplement, 2024,  
18 and section 24-703, Revised Statutes Supplement, 2025, are repealed.

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