

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 743

FINAL READING

Introduced by Juarez, 5.

Read first time January 07, 2026

Committee: Nebraska Retirement Systems

- 1 A BILL FOR AN ACT relating to the Police Officers Retirement Act; to
- 2 amend section 16-1007, Reissue Revised Statutes of Nebraska; to
- 3 change provisions relating to optional benefit forms; to provide an
- 4 operative date; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 16-1007, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 16-1007 (1) At any time before the retirement date, the retiring
4 police officer may elect to receive at his or her retirement date a
5 pension benefit either in the form of a straight life annuity or any
6 optional form of annuity benefit established by the retirement committee
7 and provided under a purchased annuity contract. The optional annuity
8 benefit shall be specified in the funding medium for the retirement
9 system and shall include a straight life annuity with a guarantee of at
10 least sixty monthly payments or an annuity payable for the life of the
11 retiring police officer and, after the death of the retiree, monthly
12 payments, as elected by the retiring police officer, of either one
13 hundred percent, seventy-five percent, or fifty percent of the amount of
14 annuity payable to the retiring police officer during his or her life, to
15 the beneficiary selected by the retiring police officer at the time of
16 the original application for an annuity. The optional benefit forms for
17 the retirement system shall include a single lump-sum payment of the
18 police officer's retirement value or one or more partial payments of such
19 retirement value in an amount and frequency elected by the police
20 officer. The retiring police officer may further elect to defer the date
21 of the first annuity payment or lump-sum payment to the first day of any
22 specified month prior to age seventy. If the retiring police officer
23 elects to receive his or her pension benefit in the form of an annuity,
24 the amount of annuity benefit shall be the amount paid by the annuity
25 contract purchased or otherwise provided by his or her retirement value
26 as of the date of the first payment. Any such annuity contract purchased
27 by the retirement system may be distributed to the police officer and,
28 upon such distribution, all obligations of the retirement system to pay
29 retirement, death, or disability benefits to the police officer and his
30 or her beneficiaries shall terminate, without exception.

31 (2)(a) For all officers employed on January 1, 1984, and

1 continuously employed by the city from such date through the date of
2 their retirement, the amount of the pension benefit, when determined on
3 the straight life annuity basis, shall not be less than the following
4 amounts:

5 (i) If retirement occurs following age sixty and with twenty-five
6 years of service with the city, fifty percent of regular pay; or

7 (ii) If retirement occurs following age fifty-five but before age
8 sixty and with twenty-five years of service with the city, forty percent
9 of regular pay.

10 (b) A police officer entitled to a minimum pension benefit under
11 this subsection may elect to receive such pension benefit in any form
12 permitted by subsection (1) of this section, including a single lump-sum
13 payment. If the minimum pension benefit is paid in a form other than a
14 straight life annuity, such benefit shall be the actuarial equivalent of
15 the straight life annuity that would otherwise be paid to the officer
16 pursuant to this subsection.

17 (c) If the police officer chooses the single lump-sum payment
18 option, the officer can request that the actuarial equivalent be equal to
19 the average of the cost of three annuity contracts based on products
20 available for purchase in Nebraska. Of the three annuity contracts used
21 for comparison, one shall be chosen by the police officer, one shall be
22 chosen by the retirement committee, and one shall be chosen by the city.
23 The annuity contracts used for comparison shall all use the same type of
24 sex-neutral basis benefit calculation.

25 (3) If the retirement value of an officer entitled to a minimum
26 pension benefit under subsection (2) of this section is not sufficient at
27 the time of the first payment to purchase or provide the required pension
28 benefit, the city shall transfer such funds as may be necessary to the
29 employer account of the police officer so that the retirement value of
30 such officer is sufficient to purchase or provide for the required
31 pension benefit.

1 (4) Any retiring police officer whose pension benefit is less than
2 twenty-five dollars per month on the straight life annuity option shall
3 be paid a lump-sum settlement equal to the retirement value and shall not
4 be entitled to elect to receive annuity benefits.

5 **Sec. 2.** This act becomes operative on October 1, 2026.

6 **Sec. 3.** Original section 16-1007, Reissue Revised Statutes of
7 Nebraska, is repealed.