

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1101

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

Read first time January 16, 2026

Committee:

- 1 A BILL FOR AN ACT relating to retirement; to amend section 24-703,
- 2 Revised Statutes Supplement, 2025; to change the amount of the state
- 3 contribution to the Nebraska Retirement Fund for Judges; to repeal
- 4 the original section; and to declare an emergency.
- 5 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.

24 (e) It shall be the duty of the Director of Administrative Services
25 to make a deduction on the monthly payroll of each such future member who
26 is a judge of the Supreme Court, a judge of the Court of Appeals, a judge
27 of the district court, a judge of a separate juvenile court, a judge of
28 the county court, a clerk magistrate of the county court who was an
29 associate county judge and a member of the fund at the time of his or her
30 appointment as a clerk magistrate, or a judge of the Nebraska Workers'
31 Compensation Court showing the amount to be deducted and its credit to

1 the fund. This shall be done each month. The Director of Administrative
2 Services and the State Treasurer shall credit the amount as shown on the
3 payroll and the amounts received from the various counties to the fund
4 and remit the same to the director in charge of the judges retirement
5 system who shall keep an accurate record of the contributions of each
6 judge.

7 (3)(a) Except as otherwise provided in this subsection, a Nebraska
8 Retirement Fund for Judges fee of six dollars through June 30, 2021,
9 eight dollars beginning July 1, 2021, through June 30, 2022, nine dollars
10 beginning July 1, 2022, through June 30, 2023, ten dollars beginning July
11 1, 2023, through June 30, 2024, eleven dollars beginning July 1, 2024,
12 through June 30, 2025, and twelve dollars beginning July 1, 2025, shall
13 be taxed as costs in each (i) civil cause of action, criminal cause of
14 action, traffic misdemeanor or infraction, and city or village ordinance
15 violation filed in the district courts, the county courts, and the
16 separate juvenile courts, (ii) filing in the district court of an order,
17 award, or judgment of the Nebraska Workers' Compensation Court or any
18 judge thereof pursuant to section 48-188, (iii) appeal or other
19 proceeding filed in the Court of Appeals, and (iv) original action,
20 appeal, or other proceeding filed in the Supreme Court. In county courts
21 a sum shall be charged which is equal to ten percent of each fee provided
22 by sections 33-125, 33-126.02, 33-126.03, and 33-126.06, rounded to the
23 nearest even dollar. No judges retirement fee shall be charged for filing
24 a report pursuant to sections 33-126.02 and 33-126.06.

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

31 (c) When collected by the clerk of the district or county court,

1 such fees shall be remitted to the State Treasurer within ten days after
2 the close of each calendar month for credit to the Nebraska Retirement
3 Fund for Judges. In addition, information regarding collection of court
4 fees shall be submitted to the director in charge of the judges
5 retirement system by the State Court Administrator within ten days after
6 the close of each calendar month.

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

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

18 (4) All expenditures from the fund shall be authorized by voucher in
19 the manner prescribed in section 24-713. The fund shall be used for the
20 payment of all annuities and other benefits to members and their
21 beneficiaries and for the expenses of administration.

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

23 (i) Beginning July 1, 2013, and each fiscal year thereafter, the
24 board shall cause an annual actuarial valuation to be performed that will
25 value the plan assets for the year and ascertain the contributions
26 required for such fiscal year. The actuary for the board shall perform an
27 actuarial valuation of the system on the basis of actuarial assumptions
28 recommended by the actuary, approved by the board, and kept on file with
29 the board using the entry age actuarial cost method. Under this method,
30 the actuarially required funding rate is equal to the normal cost rate,
31 plus the contribution rate necessary to amortize the unfunded actuarial

1 accrued liability on a level percentage of salary basis. The normal cost
2 under this method shall be determined for each individual member on a
3 level percentage of salary basis. The normal cost amount is then summed
4 for all members;

5 (ii) Beginning July 1, 2006, any existing unfunded liabilities shall
6 be reinitialized and amortized over a thirty-year period, and during each
7 subsequent actuarial valuation through June 30, 2021, changes in the
8 unfunded actuarial accrued liability due to changes in benefits,
9 actuarial assumptions, the asset valuation method, or actuarial gains or
10 losses shall be measured and amortized over a thirty-year period
11 beginning on the valuation date of such change;

12 (iii) If the unfunded actuarial accrued liability under the entry
13 age actuarial cost method is zero or less than zero on an actuarial
14 valuation date, then all prior unfunded actuarial accrued liabilities
15 shall be considered fully funded and the unfunded actuarial accrued
16 liability shall be reinitialized and amortized over a thirty-year period
17 as of the actuarial valuation date; and

18 (iv) If the actuarially required contribution rate exceeds the rate
19 of all contributions required pursuant to the Judges Retirement Act,
20 there shall be a supplemental appropriation sufficient to pay for the
21 differences between the actuarially required contribution rate and the
22 rate of all contributions required pursuant to the Judges Retirement Act.

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

24 (i) The board shall cause an annual actuarial valuation to be
25 performed that will value the plan assets for the year and ascertain the
26 contributions required for such fiscal year. The actuary for the board
27 shall perform an actuarial valuation of the system on the basis of
28 actuarial assumptions recommended by the actuary, approved by the board,
29 and kept on file with the board using the entry age actuarial cost
30 method. Under such method, the actuarially required funding rate is equal
31 to the normal cost rate, plus the contribution rate necessary to amortize

1 the unfunded actuarial accrued liability on a level percentage of salary
2 basis. The normal cost under such method shall be determined for each
3 individual member on a level percentage of salary basis. The normal cost
4 amount is then summed for all members;

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

9 (iii) If the unfunded actuarial accrued liability under the entry
10 age actuarial cost method is zero or less than zero on an actuarial
11 valuation date, then all prior unfunded actuarial accrued liabilities
12 shall be considered fully funded and the unfunded actuarial accrued
13 liability shall be reinitialized and amortized over a twenty-five-year
14 period as of the actuarial valuation date; and

15 (iv) If the actuarially required contribution rate exceeds the rate
16 of all contributions required pursuant to the Judges Retirement Act,
17 there shall be a supplemental appropriation sufficient to pay for the
18 differences between the actuarially required contribution rate and the
19 rate of all contributions required pursuant to the act.

20 (c) Upon the recommendation of the actuary to the board, and after
21 the board notifies the Nebraska Retirement Systems Committee of the
22 Legislature, the board may combine or offset certain amortization bases
23 to reduce future volatility of the actuarial contribution rate. Such
24 notification to the committee shall be in writing and include, at a
25 minimum, the actuary's projection of the contributions to fund the plan
26 if the combination or offset were not implemented, the actuary's
27 projection of the contributions to fund the plan if the combination or
28 offset were implemented, and the actuary's explanation of why the
29 combination or offset is in the best interests of the plan at the
30 proposed time.

31 (d) For purposes of this subsection, the rate of all contributions

1 required pursuant to the Judges Retirement Act includes (i) member
2 contributions, (ii) state contributions pursuant to subsection (6) of
3 this section which shall be considered as a contribution for the plan
4 year ending the prior June 30, (iii) court fees as provided in subsection
5 (3) of this section, and (iv) all fees pursuant to sections 25-2804,
6 33-103, 33-103.01, 33-106.02, 33-123, 33-124, 33-125, 33-126.02,
7 33-126.03, and 33-126.06, as directed to be remitted to the fund.

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

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

16 (B) Beginning July 1, 2026, four percent.

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

19 (iii) For purposes of this subsection: -

20 (A) Total ~~(i) total~~ annual compensation is based on the total member
21 compensation reported in the most recent annual actuarial valuation
22 report for the retirement system produced for the board pursuant to
23 section 84-1503; and

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

26 (b) If the funded ratio on the actuarial value of assets is at or
27 above one hundred percent for two consecutive years as reported in the
28 annual actuarial valuation report, the actuary shall assess whether the
29 percentage of the state contribution rate should be adjusted based on
30 projected annual actuarial valuation report results including the funded
31 ratio, actuarial contribution, and expected revenue sources using several

1 assumed investment return scenarios that the actuary deems to be
2 reasonable, and shall make a recommendation to the board as part of the
3 annual actuarial valuation report.

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

14 (d) If an annual actuarial valuation report includes a
15 recommendation from the actuary to adjust the contribution rate as
16 described in subdivision (b) or (c) of this subsection, the board shall
17 provide written notice electronically to the Nebraska Retirement Systems
18 Committee of the Legislature, to the Governor, and to the Supreme Court
19 of such recommendation within seven business days after voting to approve
20 an annual actuarial valuation report. The notice shall include the
21 actuary's recommendation and analysis regarding such adjustment.

22 (e) Following receipt of the actuary's recommendation and analysis
23 pursuant to this subsection, the Nebraska Retirement Systems Committee of
24 the Legislature shall determine the amount of any adjustment of the
25 contribution rate and, if necessary, shall propose any such adjustment to
26 the Legislature.

27 (7) The state or county shall pick up the member contributions
28 required by this section for all compensation paid on or after January 1,
29 1985, and the contributions so picked up shall be treated as employer
30 contributions pursuant to section 414(h)(2) of the Internal Revenue Code
31 in determining federal tax treatment under the code and shall not be

1 included as gross income of the member until such time as they are
2 distributed or made available. The contributions, although designated as
3 member contributions, shall be paid by the state or county in lieu of
4 member contributions. The state or county shall pay these member
5 contributions from the same source of funds which is used in paying
6 earnings to the member. The state or county shall pick up these
7 contributions by a compensation deduction through a reduction in the
8 compensation of the member. Member contributions picked up shall be
9 treated for all purposes of the Judges Retirement Act in the same manner
10 and to the extent as member contributions made prior to the date picked
11 up.

12 **Sec. 2.** Original section 24-703, Revised Statutes Supplement, 2025,
13 is repealed.

14 **Sec. 3.** Since an emergency exists, this act takes effect when
15 passed and approved according to law.