

## LEGISLATIVE BILL 108

Approved by the Governor February 25, 2025

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

A BILL FOR AN ACT relating to the Cities of the First Class Firefighters Retirement Act; to amend sections 16-1024 and 16-1025, Revised Statutes Cumulative Supplement, 2024; to change provisions relating to contributions to the retirement system; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

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

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

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

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

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

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

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

(i) Employed as a firefighter by a city:

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

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

(ii) Participating in the retirement system; and

(iii) Covered by an absolute coverage group.

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

(d) ~~(e)~~ Beginning July 20, 2024, each firefighter covered by an absolute coverage group and participating in the retirement system shall receive an offset from his or her retirement system contribution equal to six and two-tenths percent of his or her salary. This subdivision (1)(d) ~~(1)(e)~~ shall not apply to any firefighter, covered by an absolute coverage group, employed as a firefighter by a city with a population of more than sixty thousand inhabitants located in a county with a population of more than one hundred thousand inhabitants.

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

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

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

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

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

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

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

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

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

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

(iii) Employs any firefighter who is:

(A) Participating in the retirement system; and

(B) Covered by an absolute coverage group.

(c) Any such payment described in subdivision (a) or (b) of this subsection ~~(b)~~ Such payment shall be credited to his or her employer account on a monthly basis. Each such account shall also be credited with regular interest. The city shall also contribute to the employer account of any firefighter employed by the city on January 1, 1984, an amount equal to the employee's contributions, without interest, that were made to the city prior to January 1, 1984, with such contribution to be made at the time the firefighter retires or terminates employment with the city. The city may contribute such amount before the firefighter's retirement or termination of employment or credit interest on such contribution.

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

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

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

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