

LEGISLATIVE BILL 428

Approved by the Governor April 16, 1973

Introduced by Whitney, 44

AN ACT relating to state employees; to provide for creation of deferred compensation agreements for state employees; and to provide for administration.

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

Section 1. The Public Employees Retirement Board, on behalf of the state, may contract with any state employee, including a person under contract providing services to the state who is not employed by the University of Nebraska, or any of the state colleges, or technical community colleges, to defer a portion of such employee's income and may, subsequently, with the consent of the employee, purchase a life insurance or fixed or variable annuity contract, for the purpose of funding a deferred compensation plan for the employee, from any insurance company licensed to do business in the state. The total of the premiums paid for the purchase of such life insurance contract or annuity contract and the employee's nondeferred income for any year shall not exceed the total annual salary or compensation under the existing salary schedule or classification plan applicable to such employee in such year. The deferred compensation program shall exist and serve in addition to, and shall not be a part of, any existing retirement or pension system provided for state employees or any other benefit program. Any income deferred under such a plan shall continue to be included as regular compensation for the purpose of computing the retirement and pension contributions made or benefits earned by any employee. Any sum so deferred shall not be included in the computation of any taxes withheld on behalf of any such employee.

Sec. 2. The Public Employees Retirement Board shall act as custodian for all policies and annuity contracts purchased in the name of the State of Nebraska under the terms of this act. The board shall receive all rights and incidents of ownership of such policies and annuity contracts. The employee shall have no interest in any policy or annuity contract or the proceeds thereof until such time as payments shall be paid under the terms of the deferred compensation plan.

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Sec. 3. The Public Employees Retirement Board shall receive payments or benefits of any insurance policies or annuity contracts purchased under the provisions of this act. The payments and benefits shall be deposited in the Deferred Compensation Fund which is hereby created. The State Treasurer shall make payments to the employees from the Deferred Compensation Fund.