

LEGISLATIVE BILL 75  
Became law June 7, 2001,  
without approval of the Governor.

Introduced by Connealy, 16; Bruning, 3; Chambers, 11

AN ACT relating to the Legislature; to amend sections 50-401.01 and 84-1504, Reissue Revised Statutes of Nebraska; to change and provide provisions relating to retirement and deferred compensation; to appropriate funds; and to repeal the original sections.

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

Section 1. Section 50-401.01, Reissue Revised Statutes of Nebraska, is amended to read:

50-401.01. (1) The Legislative Council shall have an executive board, to be known as the Executive Board of the Legislative Council, which shall consist of a chairperson, a vice-chairperson, and six members of the Legislature, to be chosen by the Legislature at the commencement of each regular session of the Legislature when the speaker is chosen, and the Speaker of the Legislature. The Legislature at large shall elect two of its members from legislative districts Nos. 1, 2, 15, 16, 21, 23 to 30, 32, 34, 35, and 46, two from legislative districts Nos. 3 to 14, 20, 31, 39, and 45, and two from legislative districts Nos. 17 to 19, 22, 33, 36 to 38, 40 to 44, and 47 to 49. The Chairperson of the Committee on Appropriations shall serve as a nonvoting ex officio member of the executive board whenever the board is considering fiscal administration.

(2) The executive board shall:

(a) Supervise all services and service personnel of the Legislature and may employ and fix compensation and other terms of employment for such personnel as may be needed to carry out the intent and activities of the Legislature or of the board, unless otherwise directed by the Legislature, including the adoption of policies by the executive board which permit (i) the purchasing of an annuity for an employee who retires or (ii) the crediting of amounts to an employee's deferred compensation account under section 84-1504. The payments to or on behalf of an employee may be staggered to comply with other law; and

(b) Appoint persons to fill the positions of Legislative Fiscal Analyst, Director of Research, and Revisor of Statutes. The persons appointed to these positions shall have training and experience as determined by the executive board and shall serve at the pleasure of the executive board. Their respective salaries shall be set by the executive board.

(3) Notwithstanding any other provision of law, the executive board may contract to obtain legal, auditing, accounting, actuarial, or other professional services or advice for or on behalf of the executive board, the Legislative Council, the Legislature, or any member of the Legislature. The providers of such services or advice shall meet or exceed the minimum professional standards or requirements established or specified by their respective professional organizations or licensing entities or by federal law. Such contracts, the deliberations of the executive board with respect to such contracts, and the work product resulting from such contracts shall not be subject to review or approval by any other entity of state government.

(4) By October 31, 2001, the Nebraska Retirement Systems Committee of the Legislature shall submit to the Executive Board of the Legislative Council a report on the design of a separate retirement system for employees of the Legislature as it is the intent of the Legislature to create a separate retirement plan for legislative employees. The elements of the plan shall include, but not be limited to, a decreased vesting schedule, an eighty-five percent income replacement ratio, and increased employee and employer contributions. The report shall include a recommended plan document that describes the various elements of the retirement system, a draft of proposed legislation to establish the plan, and an estimate of the cost of the plan. On or after December 15, 2001, and after receiving approval from the Executive Board of the Legislative Council, the Nebraska Retirement Systems Committee shall cause the retirement plan to be reviewed by an actuary who is a member of the American Academy of Actuaries who shall make an actuarial study based on the employees who could elect to become members of the retirement plan.

Sec. 2. Section 84-1504, Reissue Revised Statutes of Nebraska, is amended to read:

84-1504. (1) The Public Employees Retirement Board, on behalf of the state, may contract with any individual to defer a portion of such individual's compensation or with the Legislative Council to defer any other

amount that the Legislative Council agrees to credit to an individual's account pursuant to section 457 of the Internal Revenue Code.

(2) The compensation to be deferred at the election of the individual and any other amount credited on behalf of such individual by the Legislative Council shall not exceed the total compensation to be received by the individual from the employer or exceed the limits established by the Internal Revenue Code for such a plan.

(3) The deferred compensation program shall serve in addition to but not be a part of any existing retirement or pension system provided for state or county employees or any other benefit program.

(4) Any compensation deferred at the election of the individual under such a deferred compensation plan shall continue to be included as regular compensation for the purpose of computing the retirement, pension, or social security contributions made or benefits earned by any employee.

(5) Any sum so deferred shall not be included in the computation of any federal or state taxes withheld on behalf of any such individual.

(6) The state, the board, the state investment officer, the agency, or the county shall not be responsible for any investment results entered into by the individual in the deferred compensation agreement.

(7) Nothing in this section shall in any way limit, restrict, alter, amend, invalidate, or nullify any deferred compensation plan previously instituted by any instrumentality or agency of the State of Nebraska, and any such plan is hereby authorized and approved.

(8) For purposes of this section, individual means (a) any state employee, whether employed on a permanent or temporary basis, full-time or part-time, (b) 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 community colleges and who has entered into a contract with the state to have compensation deferred prior to August 28, 1999, and (c) any county employee designated as a permanent part-time or full-time employee or elected official whose employer does not offer a deferred compensation plan and who has entered into an agreement pursuant to section 48-1401.

Sec. 3. There is hereby appropriated \$400,000 from the General Fund for FY2001-02 to the Legislative Council, to purchase annuities for employees of the Legislature as provided in subdivision (2)(a)(i) of section 50-401.01 or to credit amounts to an employee's deferred compensation account under subdivision (2)(a)(ii) of such section.

Sec. 4. Original sections 50-401.01 and 84-1504, Reissue Revised Statutes of Nebraska, are repealed.