

LEGISLATIVE BILL 196

Approved by the Governor April 16, 2024

Introduced by Bostar, 29; Brewer, 43; Vargas, 7; Conrad, 46; Fredrickson, 20; Blood, 3; Ballard, 21.

A BILL FOR AN ACT relating to public safety officers; to amend sections 81-8,318 and 81-2017, Revised Statutes Cumulative Supplement, 2022; to change provisions relating to claims under the In the Line of Duty Compensation Act; to change contributions and assessments under the Nebraska State Patrol Retirement Act; to harmonize provisions; to repeal the original sections; and to declare an emergency.

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

Section 1. Section 81-8,318, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-8,318 (1) To receive compensation under the In the Line of Duty Compensation Act, a claim for the compensation ~~shall~~ ~~must~~ be filed with the Risk Manager within three years ~~one year~~ after the date of death of the public safety officer who was killed in the line of duty. Such claim shall be on a form prescribed by the Risk Manager and shall include:

(a) The name, address, and title or position of the public safety officer who was killed in the line of duty;

(b) A copy of the form filed in accordance with subsection (4) of section 81-8,317, if any. If no such form has been filed, the claim shall include the name and address of the person or persons to whom compensation is payable under subdivision (3)(b) of section 81-8,317;

(c) A sworn statement providing a full factual account of the circumstances resulting in or the course of events causing the death of the public safety officer; and

(d) Such other information as the Risk Manager reasonably requires.

(2) The Risk Manager shall send written notice to all claimants within two weeks after the initiation of a claim indicating whether or not the claim is complete. For purposes of this subsection, a claim is complete if a claimant has submitted to the Risk Manager all documents and information required under subsection (1) of this section. If a claim is incomplete, the Risk Manager shall include in the written notice a list of the documents or information which the claimant must submit in order for the claim to be complete. If a claim is complete, ~~the State Claims Board shall make an investigation of the claim shall be made in the manner provided in the State Tort Miscellaneous Claims Act in accordance with section 81-8,212.~~ Upon completion of such investigation, and no later than one hundred eighty forty five ~~forty five~~ days after receipt of a complete claim, the State Claims Board shall approve or deny such claim ~~in accordance with section 81-8,300~~ and the Risk Manager shall send written notice to the claimant stating whether the claim has been approved or denied. If a claim is denied, the notice shall include the reason or reasons for the denial. If a claimant is dissatisfied with a denial, he or she may file an application for review with the district court for Lancaster County Risk Manager in accordance with sections 81-8,213 and 81-8,214 ~~subsection (2) of section 81-8,300~~. If a claim is approved, compensation shall be paid to the claimants entitled to such compensation in accordance with ~~subsection (3) of section 81-8,211~~ 81-8,300.

(3) This section shall apply to any claim arising on or after January 1, 2022.

Sec. 2. Section 81-2017, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-2017 (1)(a)(i) ~~(1)~~ Commencing July 1, 2010, and until July 1, 2011, each officer while in the service of the Nebraska State Patrol shall pay or have paid on such officer's ~~his or her~~ behalf a sum equal to sixteen percent of such officer's ~~his or her~~ monthly compensation.

(ii) Commencing July 1, 2011, and until July 1, 2013, each officer while in the service of the Nebraska State Patrol shall pay or have paid on such officer's ~~his or her~~ behalf a sum equal to nineteen percent of such officer's ~~his or her~~ monthly compensation.

(iii)(A) Commencing July 1, 2013, and until July 1, 2024, each officer who commenced service prior to July 1, 2016, while in the service of the Nebraska State Patrol shall pay or have paid on such officer's ~~his or her~~ behalf a sum equal to sixteen percent of such officer's ~~his or her~~ monthly compensation.

(B) Until July 1, 2024, each ~~Each~~ officer who commenced service on or after July 1, 2016, while in the service of the Nebraska State Patrol shall pay or have paid on such officer's ~~his or her~~ behalf a sum equal to seventeen percent of such officer's ~~his or her~~ monthly compensation.

(iv) Commencing July 1, 2024, each officer while in the service of the Nebraska State Patrol shall pay or have paid on such officer's behalf a sum equal to ten percent of such officer's monthly compensation.

(b) Such amounts shall be deducted monthly by the Director of Administrative Services who shall draw a warrant monthly in the amount of the total deductions from the compensation of members of the Nebraska State Patrol

in accordance with subsection (4) of this section, and the State Treasurer shall credit the amount of such warrant to the State Patrol Retirement Fund. The director shall cause a detailed report of all monthly deductions to be made each month to the board.

(2) In addition: ~~7~~

(a)(i) Commencing commencing July 1, 2010, and until July 1, 2011, there shall be assessed against the appropriation of the Nebraska State Patrol a sum equal to the amount of sixteen percent of each officer's monthly compensation, which shall be credited to the State Patrol Retirement Fund.

(ii) Commencing July 1, 2011, and until July 1, 2013, there shall be assessed against the appropriation of the Nebraska State Patrol a sum equal to the amount of nineteen percent of each officer's monthly compensation, which shall be credited to the State Patrol Retirement Fund.

(iii)(A) Commencing July 1, 2013, and until July 1, 2024, for each officer who commenced service prior to July 1, 2016, there shall be assessed against the appropriation of the Nebraska State Patrol a sum equal to the amount of sixteen percent of each officer's monthly compensation, which shall be credited to the State Patrol Retirement Fund.

(B) Commencing July 1, 2016, and until July 1, 2024, for each officer who commenced service on or after July 1, 2016, there shall be assessed against the appropriation of the Nebraska State Patrol a sum equal to the amount of seventeen percent of each officer's monthly compensation, which shall be credited to the State Patrol Retirement Fund.

(iv) Commencing July 1, 2024, there shall be assessed against the appropriation of the Nebraska State Patrol a sum equal to the amount of twenty-four percent of each officer's monthly compensation, which shall be credited to the State Patrol Retirement Fund.

(b) This assessment constitutes an employer match and shall be contingent upon the officer making such officer's his or her contributions to the retirement system.

(3)(a) Prior to July 1, 2021:

(i) Beginning July 1, 2002, and each fiscal year thereafter, the board shall cause an annual actuarial valuation to be performed that will value the plan assets for the year and ascertain the contributions required for such fiscal year. The actuary for the board shall perform an actuarial valuation of the system on the basis of actuarial assumptions recommended by the actuary, approved by the board, and kept on file with the board using the entry age actuarial cost method. Under this method, the actuarially required funding rate is equal to the normal cost rate, plus the contribution rate necessary to amortize the unfunded actuarial accrued liability on a level percentage of salary basis. The normal cost under this method shall be determined for each individual member on a level percentage of salary basis. The normal cost amount is then summed for all members;

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

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

(iv) If the actuarially required contribution rate exceeds the rate of all contributions required pursuant to the Nebraska State Patrol Retirement Act, there shall be a supplemental appropriation sufficient to pay for the differences between the actuarially required contribution rate and the rate of all contributions required pursuant to the act.

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

(i) The board shall cause an annual actuarial valuation to be performed that will value the plan assets for the year and ascertain the contributions required for such fiscal year. The actuary for the board shall perform an actuarial valuation of the system on the basis of actuarial assumptions recommended by the actuary, approved by the board, and kept on file with the board using the entry age actuarial cost method. Under such method, the actuarially required funding rate is equal to the normal cost rate, plus the contribution rate necessary to amortize the unfunded actuarial accrued liability on a level percentage of salary basis. The normal cost under such method shall be determined for each individual member on a level percentage of salary basis. The normal cost amount is then summed for all members;

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

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

(iv) If the actuarially required contribution rate exceeds the rate of all

contributions required pursuant to the Nebraska State Patrol Retirement Act, there shall be a supplemental appropriation sufficient to pay for the differences between the actuarially required contribution rate and the rate of all contributions required pursuant to the act.

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

(4) The state shall pick up the member contributions required by this section for all compensation paid on or after January 1, 1985, and the contributions so picked up shall be treated as employer contributions pursuant to section 414(h)(2) of the Internal Revenue Code in determining federal tax treatment under the code and shall not be included as gross income of the member until such time as they are distributed or made available. The contributions, although designated as member contributions, shall be paid by the state in lieu of member contributions. The state shall pay these member contributions from the same source of funds which is used in paying earnings to the member. The state shall pick up these contributions by a compensation deduction through a reduction in the cash compensation of the member. Member contributions picked up shall be treated for all purposes of the Nebraska State Patrol Retirement Act in the same manner and to the extent as member contributions made prior to the date picked up.

Sec. 3. Original sections 81-8,318 and 81-2017, Revised Statutes Cumulative Supplement, 2022, are repealed.

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