

LEGISLATIVE BILL 344

Approved by the Governor May 5, 1977

Introduced by Nebraska Retirement Systems Committee, Hasebroock, 18, Chmn.; Fowler, 27; Warner, 25; Goodrich, 20; Mills, 44

AN ACT to amend sections 24-703.01 and 24-707, Reissue Revised Statutes of Nebraska, 1943, and sections 24-703 and 24-710, Reissue Revised Statutes of Nebraska, 1943, as amended by sections 1 and 2, Legislative Bill 467, Eighty-fifth Legislature, First Session, 1977, relating to judges retirement; to permit original members who have not retired to elect an alternative contribution rate and retirement benefits; to defer the time for full funding; to repeal the original sections; and to declare an emergency.

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

Section 1. Any original member, as defined in subdivision (12) of section 24-701, who has not previously retired, may elect to make contributions and receive benefits pursuant to subsection (2) of section 24-703 and subsection (2) of section 24-710, instead of those provided by subsection (1) of section 24-703 and subsection (1) of section 24-710. Such election shall be by written notice delivered to the board not later than September 1, 1977.

Sec. 2. That section 24-703, Reissue Revised Statutes of Nebraska, 1943, as amended by section 1, Legislative Bill 467, Eighty-fifth Legislature, First Session, 1977, be amended to read as follows:

24-703. (1) Each Except as provided in subsection (2) of this section, each original member shall contribute monthly four per cent of his monthly salary to the fund, but such contribution shall not be made from any supplemental salary provided by section 24-301.01 or 24-513. It shall be the duty of the Director of Administrative Services to make a deduction of four per cent on the monthly payroll of each original member who is a Judge of the Supreme Court, or a judge of the district court, or a judge of a separate juvenile court, or a judge or associate judge of the county court or a judge of the Nebraska Workmen's Compensation Court showing the amount to be deducted and its credit to the fund. It shall be the duty of the city clerk in each city having a municipal court established by Chapter 26,

article 1, to make a deduction of four per cent on the monthly payroll of each municipal judge who is an original member and to pay all amounts so deducted to the executive officer in charge of the judges retirement system to be credited to the Nebraska Retirement Fund for Judges. This shall be done each month; Provided, in the event such remittance would amount to less than twenty-five dollars per month, such city clerk may remit quarterly. The Director of Administrative Services and the State Treasurer shall credit the four per cent as shown on the payroll and the amounts received from the various counties and cities to the fund and remit the same to the executive officer in charge of the judges retirement system who shall keep an accurate record of the contributions of each judge.

{2} Each original member who has made the election provided for in section 1 of this act shall contribute monthly six per cent of his monthly salary to the fund, but such contribution shall not be made from any supplemental salary provided by section 24-301.01 or 24-513. Such contributions shall be made in the manner provided by subsection (1) of this section.

{2} {3} Each future member shall contribute monthly six per cent of his monthly salary to the fund, but such contribution shall not be made from any supplemental salary provided for in section 24-301.01 or 24-513. It shall be the duty of the Director of Administrative Services to make a deduction of six per cent on the monthly payroll of each such future member who is a Judge of the Supreme Court, or a judge of the district court, or a judge of a separate juvenile court, or a judge or associate judge of the county court or a judge of the Nebraska Workmen's Compensation Court showing the amount to be deducted and its credit to the fund. It shall be the duty of the city clerk in each city having a municipal court established by Chapter 26, article 1, to make a deduction of six per cent on the monthly payroll of each municipal judge, who is such a future member and to pay all amounts so deducted to the executive officer in charge of the judges retirement system to be credited to the Nebraska Retirement Fund for Judges. This shall be done each month. The Director of Administrative Services and the State Treasurer shall credit the six per cent as shown on the payroll and the amounts received from the various counties and cities to the fund and remit the same to the executive officer in charge of the judges retirement system who shall keep an accurate record of the contributions of each judge.

{3} {4} A Nebraska Retirement Fund for Judges fee of one dollar shall be taxed as costs in each civil and

criminal cause of action or proceeding filed in the district courts and the county courts and in county courts a sum equal to ten per cent of each fee provided by sections 33-125, 33-126, and 33-126.02, except on the fees provided for in section 33-125 for the dismissal of a cause, and in sections 33-126 and 33-126.02 for filing of report. A similar fee shall be charged in each cause of action or proceeding in municipal court, including prosecutions for violation of state law or any city ordinance. The fee established by this subsection shall not be collected for nonmoving traffic violations handled by a violations bureau established by the local governing body, nor shall it be collected in any cause or proceeding in a municipal court where the cause, proceeding, or defendant has been dismissed by the court. When collected by the clerk of the district, county or municipal court, such fees shall be paid to the executive officer in charge of the judges retirement system on forms prescribed by the board by said clerk within ten days after the close of each calendar quarter. Such executive officer shall promptly thereafter remit the same to the state treasury. Upon the receipt thereof, the State Treasurer shall credit the same to the Nebraska Retirement Fund for Judges.

{4} {5} The Nebraska Retirement Fund for Judges shall be divided into two separate funds: (a) The Original Members' Fund, and (b) the Future Members' Fund. All expenditures from the funds must be authorized by voucher in the manner prescribed in section 24-713. The funds shall be used for the payment of all annuities and other benefits, and for the expenses of administration.

{5} {6} The Original Members' Fund shall be the fund into which shall be paid the total fund as of December 25, 1969, the contributions of original members as provided in ~~subsection {1}~~ subsections {1} and {2} of this section, the matching contributions for municipal judges as provided in section 24-703.01, all supplementary court fees as provided in subsection {3} {4} of this section until such time as the assets in such fund equal the accrued liabilities of such fund, and any required contributions of the state.

{6} {7} The Future Members' Fund shall be the fund into which shall be paid the contributions of future members as provided in subsection {2} {3} of this section, the matching contributions for municipal judges as provided in section 24-703.01, all supplementary court fees as provided in subsection {3} {4} of this section after such time as the assets in the Original Members' Fund equal the accrued liabilities of such fund, and any required contributions of the state. Not later than

January 1, of each year the State Treasurer shall transfer to the Future Members' Fund the amount certified by the board as being necessary to pay the cost of any benefits accrued during the fiscal year ending the previous June 30, in excess of future member contributions for that fiscal year, and court fees as described above, if any, for that fiscal year plus any required contributions of the state, as provided in subsection (9) (10) of this section.

(7) (8) Except as provided in subsection (8) (9) of this section, benefits under the retirement system to original members or to their beneficiaries shall be paid from the Original Members' Fund. All benefits under the retirement system to future members or to their beneficiaries shall be paid from the Future Members' Fund.

(8) (9) Any member who is making contributions to the fund on December 25, 1969 may, on or before June 30, 1970, elect to become a future member by delivering written notice of such election to the board. The board shall thereupon direct the State Treasurer to transfer all contributions of such judge to the Future Members' Fund and such judge shall thereafter participate only in the Future Members' Fund.

(9) (10) Not later than January 1 of each year the State Treasurer shall transfer to the fund an amount, determined on the basis of an actuarial valuation as of the previous June 30 and certified by the board, to fully fund the unfunded accrued liabilities of the system by level payments up to January 1, 1994 2000. Such required state contribution shall be divided each year between the Original Members' Fund and the Future Members' Fund in the ratio of the remaining unfunded accrued liability of each fund.

Sec. 3. That section 24-703.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

24-703.01. Municipalities shall remit to the Director of the Public Employees Retirement Board each month a sum equal to the amount any judge whose salary is paid by any municipality contributes to the Nebraska Retirement Fund for Judges; Provided, in the event such remittance would amount to less than twenty-five dollars per month, such municipality may remit quarterly. The amount so received shall be transmitted to the state treasury, and by the State Treasurer placed in the Nebraska Retirement Fund for Judges, as provided in subsection (4) (5) of section 24-703.

Sec. 4. That section 24-707, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

24-707. In the event of the death of a judge prior to his retirement, if such judge shall have had ten or more years of service, the spouse of such judge shall at his option be immediately entitled to receive those benefits which the spouse would have been entitled to under subsection (4) (5) of section 24-710, had the judge retired on the date of death and elected to have the retirement annuity paid as a joint and survivor annuity payable as long as either the judge or the judge's spouse should survive; Provided, that if such option is not exercised by such spouse within ninety days of the judge's death, if no spouse survives, or if the judge has not served for ten years, then his beneficiary, or his estate if he has not filed a written statement with the board naming a beneficiary, shall be paid a lump sum equal to all contributions to the fund made by such judge plus regular interest. In the event of the death of a judge subsequent to his retirement, if such a judge has not filed a written statement of intent with the board to elect to receive any other form of annuity which may be provided for by sections 24-707 and 24-710, the amount of annuities he has received under the provisions of sections 24-701 to 24-714 shall be computed and if such amount shall be less than the contributions to the fund made by such judge, the difference shall be paid to his beneficiary.

Sec. 5. That section 24-710, Reissue Revised Statutes of Nebraska, 1943, as amended by section 2, Legislative Bill 467, Eighty-fifth Legislature, First Session, 1977, be amended to read as follows:

24-710. (1) The retirement annuity of a judge, who is an original member, who has not made the election provided for in section 1 of this act, and who retires under the provisions of section 24-708 or 24-709, shall be computed as follows: Each such judge shall be entitled to receive an annuity, each monthly payment of which shall be in an amount equal to three and one-third per cent of his final average salary as such judge, multiplied by the number of his total years of service; Provided, that any supplemental salary provided for in section 24-301.01 or 24-513 shall be excluded for purposes of computing such annuity; provided further, that the amount stated in this section shall be supplemental to any benefits received by such judge under the Nebraska and federal old age and survivors insurance acts at the date of retirement, but the monthly combined benefits received thereunder and by the provisions of

sections 24-701 to 24-714 shall not exceed sixty-five per cent of the final average salary such judge was receiving when he last served as such judge; and provided further, the amount of retirement annuity of a judge who retires under the provisions of section 24-708 or 24-709 shall not be less than twenty-five dollars per month if he has four years or more of service credit.

(2) The retirement annuity of a judge who is an original member, who has made the election provided for in section 1 of this act, and who retires under the provisions of section 24-708 or 24-709, shall be computed as follows: Each such judge shall be entitled to receive an annuity, each monthly payment of which shall be in an amount equal to three and one-third per cent of his final average salary as such judge, multiplied by the number of his total years of service; Provided, that any supplemental salary provided for in section 24-301.01 or 24-513 shall be excluded for purposes of computing such annuity; and provided further, that the monthly benefits received hereunder shall not exceed sixty per cent of the final average salary such judge was receiving when he last served as such judge.

(2) (3) The retirement annuity of a judge who is a future member and who retires under the provisions of section 24-708 shall be computed as follows: Each such judge shall be entitled to receive an annuity, each monthly payment of which shall be one-twelfth of two and one half per cent of the total salary earned by the judge for the performance of his judicial duties between the time he started making contributions to the fund and the date of his retirement. Any supplemental salary provided for in section 24-301.01 or 24-513 shall be excluded for purposes of computing any annuity specified in this subsection.

(3) (4) The retirement annuity of a judge who is a future member and who retires under the provisions of section 24-709 shall be computed as follows: Each such judge who becomes disabled shall be entitled to receive an annuity, each monthly payment of which shall be one-twelfth of two and one half per cent of the total salary earned by the judge for the performance of his judicial duties between the time he started making contributions to the fund and the date of his disability retirement. Any supplemental salary provided for in section 24-301.01 or 24-513 shall be excluded for purposes of computing any annuity specified in this subsection.

(4) (5) Any member may, by filing with the board a written statement of intent before retirement, elect to

receive, in lieu of the single life annuity benefits to which the member or his beneficiary may otherwise be entitled under sections 24-701 to 24-714, any form of annuity which the board may by rules and regulations provide, the value of which, determined by accepted actuarial methods, is equal to the value of the benefit replaced. The board shall promptly after September 2, 1973 (a) promulgate appropriate rules and regulations establishing joint and survivorship annuities, with and without reduction on the death of the first annuitant, and such other forms of annuities as may in its judgment be appropriate, (b) prescribe appropriate forms for making the election by the members, and (c) provide for the necessary actuarial services to make the required valuations.

Sec. 6. That original sections 24-703.01 and 24-707, Reissue Revised Statutes of Nebraska, 1943, and sections 24-703 and 24-710, Reissue Revised Statutes of Nebraska, 1943, as amended by sections 1 and 2, Legislative Bill 467, Eighty-fifth Legislature, First Session, 1977, are repealed.

Sec. 7. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.