

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 478**

Introduced by Blood, 3; Day, 49; Walz, 15.

Read first time January 15, 2021

Committee: Nebraska Retirement Systems

1 A BILL FOR AN ACT relating to retirement; to amend sections 4-108,  
2 16-1020, and 84-1511, Reissue Revised Statutes of Nebraska, and  
3 sections 84-1501 and 84-1503, Revised Statutes Cumulative  
4 Supplement, 2020; to adopt the Cities of the First Class  
5 Firefighters Cash Balance Retirement Act; to create funds; to change  
6 provisions relating to the Public Employees Retirement Board; to  
7 harmonize provisions; to provide for severability; to repeal the  
8 original sections; and to declare an emergency.  
9 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 37 of this act shall be known and may be  
2 cited as the Cities of the First Class Firefighters Cash Balance  
3 Retirement Act.

4           Sec. 2. For purposes of the Cities of the First Class Firefighters  
5 Cash Balance Retirement Act, unless the context otherwise requires:

6           (1) Actuarial equivalent means the equality in value of the  
7 aggregate amounts expected to be received under different forms of an  
8 annuity payment. The mortality assumption used for purposes of converting  
9 the member cash balance account shall be the 1994 Group Annuity Mortality  
10 Table using a unisex rate that is fifty percent male and fifty percent  
11 female;

12           (2) Annuity means equal monthly payments provided by the retirement  
13 system to a member or beneficiary under forms determined by the board  
14 beginning the first day of the month after an annuity election is  
15 received in the office of the Nebraska Public Employees Retirement  
16 Systems or the first day of the month after the employee's termination of  
17 employment, whichever is later. The last payment shall be at the end of  
18 the calendar month in which the member dies or in accordance with the  
19 payment option chosen by the member;

20           (3) Annuity start date means the date upon which a member's annuity  
21 is first effective and shall be the first day of the month following the  
22 member's termination or following the date the application is received by  
23 the board, whichever is later;

24           (4) Board means the Public Employees Retirement Board;

25           (5) Cash balance benefit means a member's retirement benefit that is  
26 equal to an amount based on annual employee contribution credits plus  
27 interest credits and, if vested, employer contribution credits plus  
28 interest credits and dividend amounts credited in accordance with  
29 subdivision (3)(c) of section 21 of this act;

30           (6) City means a city of the first class;

31           (7)(a) Compensation means the base rate of pay, excluding overtime,

1 callback pay, clothing allowances, and other such benefits as reported on  
2 the employee's federal income tax withholding statement including the  
3 employee's contributions picked up by the city as provided in section 8  
4 of this act and any salary reduction contributions which are excludable  
5 from income for federal income tax purposes pursuant to section 125 or  
6 457 of the Internal Revenue Code.

7 (b) Compensation in excess of the limitations set forth in section  
8 401(a)(17) of the Internal Revenue Code shall be disregarded;

9 (8) Date of disability means the date on which a member is  
10 determined by the city to be disabled;

11 (9) Disability means the complete inability of the firefighter, for  
12 reasons of accident or other cause while in the line of duty, to perform  
13 the duties of a firefighter as defined by fire department job  
14 descriptions or ordinance of the city in which the firefighter is  
15 employed;

16 (10) Employee means all persons who are first employed as  
17 firefighters on or after January 1, 2023, by a city on a permanent full-  
18 time basis and firefighters employed on a permanent full-time basis who  
19 elect to become members of the retirement system;

20 (11) Employee contribution credit means an amount equal to the  
21 member contribution amount required by section 7 of this act;

22 (12) Employer means a city of the first class;

23 (13) Employer contribution credit means an amount equal to the  
24 employer contribution amount required by section 10 of this act;

25 (14) Five-year break in service means a period of five consecutive  
26 one-year breaks in service;

27 (15) Full-time employee means an employee who is employed to work  
28 one-half or more of the regularly scheduled hours during each pay period;

29 (16) Fund means the Cities of the First Class Firefighters Cash  
30 Balance Retirement Fund;

31 (17) Future service means service following the date of adoption of

1 the retirement system;

2 (18) Interest credit rate means the greater of (a) five percent or  
3 (b) the applicable federal mid-term rate, as published by the Internal  
4 Revenue Service as of the first day of the calendar quarter for which  
5 interest credits are credited, plus one and one-half percent, such rate  
6 to be compounded annually;

7 (19) Interest credits means the amounts credited to the employee  
8 account and the employer account at the end of each day. Such interest  
9 credit for each account shall be determined by applying the daily portion  
10 of the interest credit rate to the account balance at the end of the  
11 previous day. Such interest credits shall continue to be credited to the  
12 employee account and the employer account after a member ceases to be an  
13 employee, except that no such credit shall be made with respect to the  
14 employee account and the employer account for any day beginning on or  
15 after the member's date of final account value. If benefits payable to  
16 the member's surviving spouse or beneficiary are delayed after the  
17 member's death, interest credits shall continue to be credited to the  
18 employee account and the employer account until such surviving spouse or  
19 beneficiary commences receipt of a distribution from the plan;

20 (20) Member account means an account equal to the sum of the  
21 employee account and, if vested, the employer account and dividend  
22 amounts credited in accordance with subdivision (3)(c) of section 21 of  
23 this act;

24 (21) Member city means a city of the first class that employs  
25 permanent full-time firefighters;

26 (22) One-year break in service means a plan year during which the  
27 member has not completed more than five hundred hours of service;

28 (23) Participation means qualifying for and making the required  
29 deposits to the retirement system during the course of a plan year;

30 (24) Plan year means the twelve-month period beginning on January 1  
31 and ending on December 31;

1       (25) Prior service means service prior to the date of adoption of  
2 the retirement system;

3       (26) Regular interest means the rate of interest earned each  
4 calendar year as determined by the board in conformity with actual and  
5 expected earnings on the investments;

6       (27) Regular pay means the salary of a firefighter at the date such  
7 firefighter elects to retire or terminate employment with the city;

8       (28) Required contribution means the deduction to be made from the  
9 compensation of employees as provided in the act;

10       (29) Retirement means qualifying for and accepting the retirement  
11 benefit granted under the act after terminating employment;

12       (30) Retirement application means the form approved and provided by  
13 the retirement system for a member's request for retirement;

14       (31) Retirement system means the Cash Balance Retirement System for  
15 Firefighters in Cities of the First Class;

16       (32) Service means the actual total length of employment as an  
17 employee and is not deemed to be interrupted by (a) temporary or seasonal  
18 suspension of service that does not terminate the employee's employment,  
19 (b) leave of absence authorized by the employer for a period not  
20 exceeding twelve months, (c) leave of absence because of disability, or  
21 (d) military service, when properly authorized by the board. Service does  
22 not include any period of disability for which disability retirement  
23 benefits are received under section 18 of this act;

24       (33) Surviving spouse means (a) the spouse married to the member on  
25 the date of the member's death or (b) the spouse or former spouse of the  
26 member if survivorship rights are provided under a qualified domestic  
27 relations order filed with the board pursuant to the Spousal Pension  
28 Rights Act. The spouse or former spouse shall supersede the spouse  
29 married to the member on the date of the member's death as provided under  
30 a qualified domestic relations order. If the benefits payable to the  
31 spouse or former spouse under a qualified domestic relations order are

1 less than the value of benefits entitled to the surviving spouse, the  
2 spouse married to the member on the date of the member's death shall be  
3 the surviving spouse for the balance of the benefits; and

4 (34) Termination of employment occurs on the date on which a city  
5 which is a member of the retirement system determines that its employer-  
6 employee relationship with an employee is dissolved. The city shall  
7 notify the board of the date on which such a termination has occurred.  
8 Termination of employment does not occur if an employee whose employer-  
9 employee relationship with a city is dissolved enters into an employer-  
10 employee relationship as a firefighter with the same or another city  
11 which participates in the retirement system and there are less than one  
12 hundred twenty days between the date when the employee's employer-  
13 employee relationship ceased with the city and the date when the  
14 employer-employee relationship commenced with the same or another city  
15 which qualifies the employee for participation in the plan. It is the  
16 responsibility of the employer that is involved in the termination of  
17 employment to notify the board of such change in employment and provide  
18 the board with such information as the board deems necessary. If the  
19 board determines that termination of employment has not occurred and a  
20 retirement benefit has been paid to a member of the retirement system  
21 pursuant to section 22 of this act, the board shall require the member  
22 who has received such benefit to repay the benefit to the retirement  
23 system.

24 Sec. 3. (1) A retirement system shall be established for the  
25 purpose of providing a retirement annuity or other benefits for employees  
26 as provided by the Cities of the First Class Firefighters Cash Balance  
27 Retirement Act. It shall be known as the Cash Balance Retirement System  
28 for Firefighters in Cities of the First Class, and by such name shall  
29 transact all business and hold all cash and other property as provided in  
30 the Cities of the First Class Firefighters Cash Balance Retirement Act.

31 (2) The retirement system shall not accept as contributions any

1 money from members or member cities except the following:

2 (a) Mandatory contributions and fees established by subsection (1)  
3 of section 7 and section 10 of this act;

4 (b) Money that is a repayment of refunded contributions made  
5 pursuant to section 24 of this act;

6 (c) Contributions for military service credit made pursuant to  
7 section 26 of this act;

8 (d) Actuarially required contributions pursuant to subdivision (3)  
9 (b) of section 21 of this act;

10 (e) Trustee-to-trustee transfers pursuant to section 31 of this act;  
11 or

12 (f) Corrections ordered by the board pursuant to section 5 of this  
13 act.

14 Sec. 4. It shall be the duty of the board to administer the Cities  
15 of the First Class Firefighters Cash Balance Retirement Act as provided  
16 in section 84-1503. The board shall adopt and promulgate rules and  
17 regulations to carry out the act.

18 Sec. 5. (1) If the board determines that the retirement system has  
19 previously received contributions or distributed benefits which for any  
20 reason are not in accordance with the statutory provisions of the Cities  
21 of the First Class Firefighters Cash Balance Retirement Act, the board  
22 shall refund contributions, require additional contributions, adjust  
23 benefits, credit dividend amounts, or require repayment of benefits paid.  
24 In the event of an overpayment of a benefit, the board may, in addition  
25 to other remedies, offset future benefit payments by the amount of the  
26 prior overpayment, together with regular interest or interest credits,  
27 whichever is appropriate, thereon. In the event of an underpayment of a  
28 benefit, the board shall immediately make payment equal to the deficit  
29 amount plus regular interest or interest credits, whichever is  
30 appropriate.

31 (2) The board shall have the power, through the director of the

1 Nebraska Public Employees Retirement Systems or the director's designee,  
2 to make a thorough investigation of any overpayment of a benefit, when in  
3 the judgment of the retirement system such investigation is necessary,  
4 including, but not limited to, circumstances in which benefit payments  
5 are made after the death of a member or beneficiary and the retirement  
6 system is not made aware of such member's or beneficiary's death. In  
7 connection with any such investigation, the board, through the director  
8 or the director's designee, shall have the power to compel the attendance  
9 of witnesses and the production of books, papers, records, and documents,  
10 whether in hardcopy, electronic form, or otherwise, and issue subpoenas  
11 for such purposes. Such subpoenas shall be served in the same manner and  
12 have the same effect as subpoenas from district courts.

13 (3) The board shall adopt and promulgate rules and regulations  
14 implementing this section, which shall include, but not be limited to,  
15 the following: (a) The procedures for refunding contributions, adjusting  
16 future contributions or benefit payments, and requiring additional  
17 contributions or repayment of benefits; (b) the process for a member,  
18 member's beneficiary, employee, or employer to dispute an adjustment of  
19 contributions or benefits; and (c) notice provided to all affected  
20 persons. All notices shall be sent prior to an adjustment and shall  
21 describe the process for disputing an adjustment of contributions or  
22 benefits.

23 Sec. 6. (1) The membership of the retirement system shall be  
24 composed of all employees who are or were employed by a member city and  
25 maintain an account balance with the retirement system.

26 (2) An employee who exercises the option to begin participation in  
27 the retirement system shall remain in the system until termination or  
28 retirement.

29 (3) No employee of a member city shall be authorized to participate  
30 in the retirement system provided for in the Cities of the First Class  
31 Firefighters Cash Balance Retirement Act unless the employee (a) is a



1 United States citizen or (b) is a qualified alien under the federal  
2 Immigration and Nationality Act, 8 U.S.C. 1101 et seq., as such act  
3 existed on January 1, 2021, and is lawfully present in the United States.

4 (4) Any employee who qualifies for membership in the retirement  
5 system pursuant to this section may not be disqualified from membership  
6 in the retirement system solely because such employee also maintains  
7 separate employment which qualifies the employee for membership in  
8 another public retirement system, nor may membership in this retirement  
9 system disqualify such an employee from membership in another public  
10 retirement system solely by reason of separate employment which qualifies  
11 such employee for membership in this retirement system.

12 (5) Cities shall ensure that employees authorized to participate in  
13 the retirement system pursuant to this section shall enroll and make  
14 required contributions to the retirement system immediately upon becoming  
15 an employee. Information necessary to determine membership in the  
16 retirement system shall be provided by the employer.

17 Sec. 7. (1) Beginning January 1, 2023, each employee who is a  
18 member of the retirement system shall pay to the city or have picked up  
19 by the city a sum equal to six and one-half percent of his or her  
20 compensation for each pay period. The contributions, although designated  
21 as employee contributions, shall be paid by the city in lieu of employee  
22 contributions. The city shall pick up the employee contributions required  
23 by this section, and the contributions so picked up shall be treated as  
24 employer contributions pursuant to section 414(h)(2) of the Internal  
25 Revenue Code in determining federal tax treatment under the code and  
26 shall not be included as gross income of the employee until such time as  
27 they are distributed or made available. The city shall pay these employee  
28 contributions from the same source of funds which is used in paying  
29 earnings to the employee. The city shall pick up these contributions by a  
30 compensation deduction through a reduction in the cash compensation of  
31 the employee. Employee contributions picked up shall be treated for all

1 purposes of the Cities of the First Class Firefighters Cash Balance  
2 Retirement Act in the same manner and to the extent as employee  
3 contributions made prior to the date picked up.

4 (2) Beginning January 1, 2023, each employee who is a member of the  
5 retirement system shall pay to the city or have picked up by the city an  
6 additional sum equal to one-half percent of his or her compensation for  
7 each pay period. The contributions, although designated as employee  
8 contributions, shall be paid by the city in lieu of employee  
9 contributions. The city shall pick up the employee contributions required  
10 by this section, and the contributions so picked up shall be treated as  
11 employer contributions pursuant to section 414(h)(2) of the Internal  
12 Revenue Code in determining federal tax treatment under the code and  
13 shall not be included as gross income of the employee until such time as  
14 they are distributed or made available. The city shall pay these employee  
15 contributions from the same source of funds which is used in paying  
16 earnings to the employee. The city shall pick up these contributions by a  
17 compensation deduction through a reduction in the cash compensation of  
18 the employee. Employee contributions picked up shall be treated for all  
19 purposes of the Cities of the First Class Firefighters Cash Balance  
20 Retirement Act in the same manner and to the extent as employee  
21 contributions made prior to the date picked up.

22 (3) Beginning January 1, 2023, each city of the first class shall  
23 deposit the payroll deductions pursuant to subsection (2) of this section  
24 into the Firefighters Retirement System Fund established in section  
25 16-1023. The funds shall be used exclusively to provide death and  
26 disability benefits for employees and their beneficiaries granted by  
27 sections 18, 25, and 26 of this act.

28 Sec. 8. All contributions to the Firefighters Retirement System  
29 Fund established by each city in section 16-1023, all property and rights  
30 purchased with the contributions, and all investment income attributable  
31 to the contributions, property, or rights shall be held in trust by the

1 city for exclusive benefit of members and their beneficiaries and shall  
2 only be used to pay death and disability benefits to such members and  
3 beneficiaries, and to pay administrative expenses according to the Cities  
4 of the First Class Firefighters Cash Balance Retirement Act.

5       Sec. 9. (1) The city clerk shall pay to the board or an entity  
6 designated by the board an amount equal to three hundred percent of the  
7 amounts deducted from the compensation of employees in accordance with  
8 subsection (1) of section 7 of this act, which three hundred percent  
9 equals the employees' contributions plus the city's contributions of two  
10 hundred percent of the employees' contributions.

11       (2) The board may charge the city an administrative processing fee  
12 of twenty-five dollars if the reports of necessary information or  
13 payments made pursuant to this section are received later than the date  
14 on which the board requires that such information or money should be  
15 received. In addition, the board may charge the city a late fee of  
16 thirty-eight thousandths of one percent of the amount required to be  
17 submitted pursuant to this section for each day such amount has not been  
18 received or in an amount equal to the amount of any costs incurred by the  
19 member due to the late receipt of contributions, whichever is greater.  
20 The late fee may be used to make a member's account whole for any costs  
21 that may have been incurred by the member due to the late receipt of  
22 contributions.

23       (3) The Department of Administrative Services may, for accounting  
24 purposes, create subfunds of the Cities of the First Class Firefighters  
25 Cash Balance Retirement Fund.

26       Sec. 10. The Cities of the First Class Firefighters Cash Balance  
27 Retirement Fund is created. The fund shall be administered by the board  
28 and shall consist of contributions and other such sums as provided in  
29 section 3 of this act. Any money in the fund available for investment  
30 shall be invested by the state investment officer pursuant to the  
31 Nebraska Capital Expansion Act and the Nebraska State Funds Investment

1 Act.

2 Sec. 11. (1) It is the intent of the Legislature that, in order to  
3 improve the competitiveness of the retirement for firefighters in cities,  
4 a cash balance benefit shall be offered through the Cities of the First  
5 Class Firefighters Cash Balance Retirement Act on and after January 1,  
6 2023. Each member who is employed and participating in the retirement  
7 system established in sections 16-1020 to 16-1042 prior to January 1,  
8 2023, may either elect to continue participation in the retirement system  
9 established in sections 16-1020 to 16-1042 prior to January 1, 2023, or  
10 elect to participate in the cash balance benefit as set forth in this  
11 section. An active member shall make a one-time election beginning July  
12 1, 2022, through October 31, 2022, in order to participate in the cash  
13 balance benefit. Members hired November 1, 2022, through December 31,  
14 2022, shall make a one-time election prior to January 1, 2023, in order  
15 to participate in the cash balance benefit. If no such election is made,  
16 the member shall be treated as though he or she elected to continue  
17 participating in the retirement system established in sections 16-1020 to  
18 16-1042 prior to January 1, 2023. Members who elect to participate in the  
19 cash balance benefit beginning July 1, 2022, through October 31, 2022, or  
20 November 1, 2022, through December 31, 2022, shall commence participation  
21 in the cash balance benefit on January 1, 2023.

22 (2) For a member employed and participating in the retirement system  
23 beginning on and after January 1, 2023, or a member employed and  
24 participating in the retirement system established in sections 16-1020 to  
25 16-1042 prior to January 1, 2023, who, beginning July 1, 2022, through  
26 October 31, 2022, or for persons hired November 1, 2022, through December  
27 31, 2022, prior to January 2, 2023, elects to convert his or her accounts  
28 to the cash balance benefit:

29 (a) Except as provided in subdivision (2)(b) of section 24 of this  
30 act, the employee account within the Cities of the First Class  
31 Firefighters Cash Balance Retirement Fund shall, at any time, be equal to

1 the following:

2 (i) The initial employee account balance, if any, transferred from  
3 the retirement system provided in sections 16-1020 to 16-1042; plus

4 (ii) Employee contribution credits deposited in accordance with  
5 section 7 of this act; plus

6 (iii) Interest credits credited in accordance with subdivision (20)  
7 of section 2 of this act; plus

8 (iv) Dividend amounts credited in accordance with subdivision (3)(c)  
9 of section 21 of this act; and

10 (b) The employer account shall, at any time, be equal to the  
11 following:

12 (i) The initial employer account balance, if any, transferred from  
13 the retirement system provided in sections 16-1020 to 16-1042; plus

14 (ii) Employer contribution credits deposited in accordance with  
15 section 10 of this act; plus

16 (iii) Interest credits credited in accordance with subdivision (20)  
17 of section 2 of this act; plus

18 (iv) Dividend amounts credited in accordance with subdivision (3)(c)  
19 of section 21 of this act.

20 (3) In order to carry out this section, the board may enter into  
21 administrative services agreements for accounting or record-keeping  
22 services. No agreement shall be entered into unless the board determines  
23 that it will result in administrative economy and will be in the best  
24 interests of the cities and their participating employees. The board may  
25 develop a schedule for the allocation of the administrative services  
26 agreements costs for accounting or record-keeping services and may assess  
27 the costs so that each member pays a reasonable fee as determined by the  
28 board.

29 Sec. 12. The State Treasurer shall be the custodian of the funds  
30 and securities of the retirement system and may deposit the funds and  
31 securities in any financial institution approved by the Nebraska

1 Investment Council. All disbursements therefrom shall be paid by him or  
2 her only upon vouchers signed by a person authorized by the board. The  
3 State Treasurer shall transmit monthly to the board a detailed statement  
4 showing all credits to and disbursements from the funds in his or her  
5 custody belonging to the retirement system.

6       Sec. 13. The Cities of the First Class Firefighters Cash Balance  
7 Retirement Expense Fund is created. The fund shall be credited with money  
8 forfeited pursuant to section 23 of this act and with money from the  
9 retirement system assets and income sufficient to pay the pro rata share  
10 of administrative expenses incurred as directed by the board for the  
11 proper administration of the Cities of the First Class Firefighters Cash  
12 Balance Retirement Act and necessary in connection with the  
13 administration and operation of the retirement system, except as provided  
14 in section 11 of this act. Any money in the fund available for investment  
15 shall be invested by the state investment officer pursuant to the  
16 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
17 Act.

18       Sec. 14. (1) The director of the Nebraska Public Employees  
19 Retirement Systems shall keep a complete record of all members with  
20 respect to names, current addresses, ages, contributions, and any other  
21 facts as may be necessary in the administration of the Cities of the  
22 First Class Firefighters Cash Balance Retirement Act. The information in  
23 the records shall be provided by the employer in an accurate and  
24 verifiable form, as specified by the director. The director shall, from  
25 time to time, carry out testing procedures pursuant to section 84-1512 to  
26 verify the accuracy of such information. For the purpose of obtaining  
27 such facts and information, the director shall have access to the records  
28 of the various cities and the holder of the records shall comply with a  
29 request by the director for access by providing such facts and  
30 information to the director in a timely manner. A certified copy of a  
31 birth certificate or delayed birth certificate shall be prima facie

1 evidence of the age of the person named in the certificate.

2 (2) The director shall develop and implement an employer education  
3 program using principles generally accepted by public employee retirement  
4 systems so that all employers have the knowledge and information  
5 necessary to prepare and file reports as the board requires.

6 Sec. 15. It shall be the duty of the Auditor of Public Accounts to  
7 make an annual audit of the retirement system and an annual report to the  
8 retirement board and to the Clerk of the Legislature of the condition of  
9 the retirement system. The report submitted to the Clerk of the  
10 Legislature shall be submitted electronically. Each member of the  
11 Legislature shall receive an electronic copy of the report required by  
12 this section by making a request for such report to either the Auditor of  
13 Public Accounts or the retirement board.

14 Sec. 16. The retirement system may sue or be sued in the name of  
15 the system, and in all actions brought by or against it, the system shall  
16 be represented by the Attorney General.

17 Sec. 17. (1) Upon filing a retirement application for benefits with  
18 the board, an employee may elect to retire at any time after attaining  
19 the age of fifty-five or an employee may retire as a result of disability  
20 at any age.

21 (2) The member shall specify in the application for benefits the  
22 manner in which he or she wishes to receive the retirement benefit under  
23 the options provided by the Cities of the First Class Firefighters Cash  
24 Balance Retirement Act. Payment under the application for benefits shall  
25 be made (a) for annuities, no sooner than the annuity start date, and (b)  
26 for other distributions, no sooner than the date of final account value.

27 (3) Payment of any benefit provided under the retirement system may  
28 not be deferred later than April 1 of the year following the year in  
29 which the employee has both attained at least age seventy and one-half  
30 years and terminated his or her employment with the city.

31 (4) The board shall make reasonable efforts to locate the member or

1 the member's beneficiary and distribute benefits by the required  
2 beginning date as specified by section 401(a)(9) of the Internal Revenue  
3 Code and the regulations issued thereunder. If the board is unable to  
4 make such a distribution, the benefit shall be distributed pursuant to  
5 the Uniform Disposition of Unclaimed Property Act and no amounts may be  
6 applied to increase the benefits any member would otherwise receive under  
7 the Cities of the First Class Firefighters Cash Balance Retirement Act.

8       Sec. 18. (1) Except as provided in subsection (3) of this section  
9 for temporary disability, if any firefighter becomes disabled, such  
10 firefighter shall be placed upon the roll of pensioned firefighters at  
11 the regular retirement pension of fifty percent of regular pay for the  
12 period of such disability.

13       (2) No disability benefit payment shall be made except upon adequate  
14 proof furnished to the city, consisting of a medical examination  
15 conducted by a competent, disinterested physician who is duly licensed to  
16 practice medicine and surgery in this state and who certifies to the city  
17 that the firefighter is unable to perform the duties of a firefighter.  
18 The city, during the first three years of the payment of such benefits,  
19 shall have the right, at reasonable times, to require the disabled  
20 firefighter to undergo a medical examination at the city's expense to  
21 determine the continuance of the disability claimed. After such three-  
22 year period, the city may request the district court to order the  
23 firefighter to submit proof of the continuance of the disability claimed  
24 if the city has reasonable grounds to believe the firefighter is  
25 fraudulently receiving disability payments. The city shall have the right  
26 to demand a physical examination of the firefighter by a competent,  
27 disinterested physician who is duly licensed to practice medicine and  
28 surgery in this state and who is chosen by the city. The expense of such  
29 examination shall be borne by the city.

30       (3) In case of temporary disability of a firefighter received while  
31 in the line of duty, he or she shall receive his or her salary during the



1 continuance of such disability for a period not to exceed twelve months,  
2 except that if it is ascertained by the city within twelve months that  
3 such temporary disability has become a disability as defined in this  
4 section, then the salary shall cease and he or she shall be entitled to  
5 the benefits for pensions in case of disability as provided in this  
6 section.

7 (4) All payments of pension or salary provided in this section shall  
8 be subject to deduction of amounts paid under the Nebraska Workers'  
9 Compensation Act. Total payments to a disabled firefighter, in excess of  
10 amounts paid as workers' compensation benefits, shall not be less than  
11 the amount necessary to pay the disabled firefighter the fifty percent  
12 disability benefit of this section. In the event the retirement value at  
13 the date of disability exceeds the actuarial equivalent of the disability  
14 pension, after deduction of amounts paid under the Nebraska Workers'  
15 Compensation Act, that amount shall be paid as an annuity to the disabled  
16 firefighter in addition to the disability retirement provided in this  
17 section. The city shall contribute such additional amounts as may be  
18 necessary, from time to time, to provide for the required disability  
19 pension, which amounts may include funds from the Firefighters Retirement  
20 System Fund.

21 (5) If a firefighter who was receiving a pension under this section  
22 is later determined to be no longer disabled, the pension provided for  
23 under this section shall terminate and the firefighter's vested  
24 retirement value, as reduced by any disability payments made from the  
25 retirement system, shall thereafter be held and administered in the same  
26 manner as for any nondisabled firefighter or former firefighter.

27 (6) If a firefighter who was receiving a pension under this section  
28 is later determined to be no longer disabled during the first three years  
29 when disability benefit payments are being paid, the firefighter may  
30 return to duty with the fire department under the following conditions:

31 (a) If a vacancy exists in the fire department for which the

1 firefighter is qualified and the firefighter wishes to return to the fire  
2 department, the city shall hire the firefighter to fill the vacancy at a  
3 pay grade of not less than his or her previous pay grade; or

4 (b) If no vacancy exists in the fire department and the firefighter  
5 wishes to return to the fire department, the city shall place the  
6 firefighter on a waiting list and rehire the firefighter at a pay grade  
7 of not less than his or her previous pay grade when a vacancy occurs for  
8 which the firefighter is qualified.

9 The provisions of this subsection shall not apply to a firefighter  
10 whose disability benefit payments are terminated because of fraud on the  
11 part of the firefighter.

12 Sec. 19. No firefighter shall be entitled during any period of  
13 temporary disability to receive in full both his or her salary and his or  
14 her benefits under the Nebraska Workers' Compensation Act. All Nebraska  
15 workers' compensation benefits shall be payable in full to such  
16 firefighter as provided in the Nebraska Workers' Compensation Act, but  
17 all amounts paid by the city or its insurer under the Nebraska Workers'  
18 Compensation Act to any disabled firefighter entitled to receive a salary  
19 during such disability shall be considered as payments on account of such  
20 salary and shall be credited thereon. The remaining balance of such  
21 salary, if any, shall be payable as otherwise provided in this act.

22 Sec. 20. The retirement value for any employee who retires under  
23 the provisions of section 17 of this act shall be the benefit provided in  
24 section 10 of this act as of the date of retirement.

25 Sec. 21. (1) The retirement benefit shall be an annuity, payable  
26 monthly with the first payment made no earlier than the annuity start  
27 date, which shall be the actuarial equivalent of the retirement value as  
28 specified in section 20 of this act based on factors determined by the  
29 board, except that gender shall not be a factor when determining the  
30 amount of such payments pursuant to subsection (2) of this section.

31 Except as provided in section 42-1107, at any time before the

1 annuity start date, the retiring employee may choose to receive his or  
2 her annuity either in the form of an annuity as provided under subsection  
3 (3) of this section or any optional form that is determined by the board.

4 Except as provided in section 42-1107, in lieu of the retirement  
5 annuity, a retiring employee may receive a benefit not to exceed the  
6 amount in his or her employer and employee accounts as of the date of  
7 final account value payable in a lump sum and, if the employee chooses  
8 not to receive the entire amount in such accounts, an annuity equal to  
9 the actuarial equivalent of the remainder of the retirement value, and  
10 the employee may choose any form of such annuity as provided for by the  
11 board.

12 In any case, the amount of the monthly payment shall be such that  
13 the annuity chosen shall be the actuarial equivalent of the retirement  
14 value as specified in section 20 of this act except as provided in this  
15 section.

16 The board shall provide to any employee who is eligible for  
17 retirement, prior to his or her selecting any of the retirement options  
18 provided by this section, information on the federal and state income tax  
19 consequences of the various annuity or retirement benefit options.

20 (2) Except as provided in subsection (3) of this section, the  
21 monthly income payable to a retiring member shall be the amount which may  
22 be purchased by the accumulated contributions based on annuity rates in  
23 effect on the annuity start date which do not utilize gender as a factor.

24 (3)(a) The normal form of payment shall be a single life annuity  
25 with five-year certain, which is an annuity payable monthly during the  
26 remainder of the member's life with the provision that, in the event of  
27 his or her death before sixty monthly payments have been made, the  
28 monthly payments will be continued to his or her estate or to the  
29 beneficiary he or she has designated until sixty monthly payments have  
30 been made in total. Such annuity shall be equal to the actuarial  
31 equivalent of the member cash balance account or the sum of the employee

1 and employer accounts, whichever is applicable, as of the date of final  
2 account value. As a part of the annuity, the normal form of payment may  
3 include a two and one-half percent cost-of-living adjustment purchased by  
4 the member, if the member elects such a payment option.

5 Except as provided in section 42-1107, a member may elect a lump-sum  
6 distribution of his or her member cash balance account as of the date of  
7 final account value upon termination of service or retirement.

8 For a member employed and participating in the retirement system  
9 established in sections 16-1020 to 16-1042 prior to January 1, 2023, who  
10 has elected to participate in the cash balance benefit pursuant to  
11 section 11 of this act, or for a member employed and participating in the  
12 retirement system beginning on and after January 1, 2023, the balance of  
13 his or her member account shall be converted to an annuity using an  
14 interest rate used in the actuarial valuation as recommended by the  
15 actuary and approved by the board.

16 (b) For the calendar year ending December 31, 2023, and each  
17 calendar year thereafter, the actuary for the board shall perform an  
18 actuarial valuation of the system using the entry age actuarial cost  
19 method. Under this method, the actuarially required funding rate is equal  
20 to the normal cost rate plus the contribution rate necessary to amortize  
21 the unfunded actuarial accrued liability on a level-payment basis. The  
22 normal cost under this method shall be determined for each individual  
23 member on a level percentage of salary basis. The normal cost amount is  
24 then summed for all members. The initial unfunded actuarial accrued  
25 liability as of January 1, 2023, if any, shall be amortized over a  
26 twenty-five-year period. During each subsequent actuarial valuation,  
27 changes in the unfunded actuarial accrued liability due to changes in  
28 benefits, actuarial assumptions, the asset valuation method, or actuarial  
29 gains or losses shall be measured and amortized over a twenty-five-year  
30 period beginning on the valuation date of such change. If the unfunded  
31 actuarial accrued liability under the entry age actuarial cost method is

1 zero or less than zero on an actuarial valuation date, then all prior  
2 unfunded actuarial accrued liabilities shall be considered fully funded  
3 and the unfunded actuarial accrued liability shall be reinitialized and  
4 amortized over a twenty-five-year period as of the actuarial valuation  
5 date. If the actuarially required contribution rate exceeds the rate of  
6 all contributions required pursuant to the Cities of the First Class  
7 Firefighters Cash Balance Retirement Act, there shall be a supplemental  
8 appropriation by the state sufficient to pay for the difference between  
9 the actuarially required contribution rate and the rate of all  
10 contributions required pursuant to the act.

11 (c) If the unfunded accrued actuarial liability under the entry age  
12 actuarial cost method is less than zero on an actuarial valuation date,  
13 and on the basis of all data in the possession of the board, including  
14 such mortality and other tables as are recommended by the actuary engaged  
15 by the board and adopted by the board, the board may elect to pay a  
16 dividend to all members in an amount that would not increase the  
17 actuarial contribution rate above ninety percent of the actual  
18 contribution rate. Dividends shall be credited to the employee account  
19 and the employer account based on the account balances on the actuarial  
20 valuation date. In the event a dividend is granted and paid after the  
21 actuarial valuation date, interest for the period from the actuarial  
22 valuation date until the dividend is actually paid shall be paid on the  
23 dividend amount. The interest rate shall be the interest credit rate  
24 earned on regular contributions.

25 (4) At the option of the retiring member, any lump sum or annuity  
26 provided under this section may be deferred to commence at any time,  
27 except that no benefit shall be deferred later than April 1 of the year  
28 following the year in which the employee has both attained at least  
29 seventy and one-half years of age and has terminated his or her  
30 employment with the city. Such election by the retiring member may be  
31 made at any time prior to the commencement of the lump sum or annuity

1 payments.

2 Sec. 22. (1) Except as provided in section 42-1107, upon  
3 termination of employment, except for retirement or disability, and after  
4 filing a retirement application with the board, a member may receive:

5 (a) If not vested, a termination benefit equal to the amount of his  
6 or her employee account payable in a lump sum or an annuity with the  
7 lump-sum or first annuity payment made at any time after termination but  
8 no later than April 1 of the year following the year in which the member  
9 attains the age of seventy and one-half years; or

10 (b) If vested, a termination benefit equal to (i) the amount of his  
11 or her member account payable in a lump sum or an annuity with the lump-  
12 sum or first annuity payment made at any time after termination but no  
13 later than April 1 of the year following the year in which the member  
14 attains the age of seventy and one-half years or (ii)(A) the amount of  
15 his or her employee account payable in a lump sum or an annuity with the  
16 lump-sum or first annuity payment made at any time after termination but  
17 no later than April 1 of the year following the year in which the member  
18 attains the age of seventy and one-half years plus (B) the amount of his  
19 or her employer account payable in a lump sum or an annuity with the  
20 lump-sum or first annuity payment made at any time after termination but  
21 no later than April 1 of the year following the year in which the member  
22 attains the age of seventy and one-half years.

23 The member account of a terminating member shall be retained by the  
24 board, and the termination benefit shall be deferred until a valid  
25 application for benefits has been received.

26 (2) At the option of the terminating member, any lump sum of the  
27 member account or any annuity payment provided under subsection (1) of  
28 this section shall commence as of the first of the month at any time  
29 after such member has terminated his or her employment with the city and  
30 no later than April 1 of the year following the year in which the member  
31 attains the age of seventy and one-half years.

1       (3) Members of the retirement system shall be vested after a total  
2 of seven years of participation in the system as a member, including  
3 vesting credit. If the member has less than four years of participation,  
4 the vesting percentage shall be zero. If the member has four years, the  
5 vesting percentage shall be forty percent. The vesting percentage shall  
6 be sixty percent after five years and eighty percent after six years. If  
7 an employee retires pursuant to section 17 of this act, such employee  
8 shall be fully vested in the retirement system.

9       Sec. 23. (1) For a member who has terminated employment and is not  
10 fully vested, the balance of the member's employer account shall be  
11 forfeited. The forfeited account shall be credited to the Cities of the  
12 First Class Firefighters Cash Balance Retirement Fund and shall first be  
13 used to meet the expense charges incurred by the board in connection with  
14 administering the retirement system, which charges shall be credited to  
15 the Cities of the First Class Firefighters Cash Balance Retirement  
16 Expense Fund, and the remainder, if any, shall then be used to restore  
17 employer accounts. Except as provided in subdivision (3)(c) of section 21  
18 of this act, no forfeited amounts shall be applied to increase the  
19 benefits any member would otherwise receive under the Cities of the First  
20 Class Firefighters Cash Balance Retirement Act.

21       (2)(a) If a member ceases to be an employee due to the termination  
22 of his or her employment by the city and a grievance or other appeal of  
23 the termination is filed, transactions involving forfeiture of his or her  
24 employer account and, except as provided in subdivision (b) of this  
25 subsection, transactions for payment of benefits under sections 17 and 22  
26 of this act shall be suspended pending the final outcome of the grievance  
27 or other appeal.

28       (b) If a member elects to receive benefits payable under sections 17  
29 and 22 of this act after a grievance or appeal is filed, the member may  
30 receive an amount up to the balance of his or her employee account or  
31 twenty-five thousand dollars payable from the employee account, whichever

1 is less.

2       Sec. 24. (1) Except as otherwise provided in this section, a member  
3 of the retirement system who has a five-year break in service shall, upon  
4 reemployment, be considered a new employee with respect to the Cities of  
5 the First Class Firefighters Cash Balance Retirement Act and shall not  
6 receive credit for service prior to his or her reemployment date.

7       (2)(a) A member who ceases to be an employee before becoming  
8 eligible for retirement under section 17 of this act and again becomes a  
9 permanent full-time employee prior to having a five-year break in service  
10 shall immediately be reenrolled in the retirement system and resume  
11 making contributions. For purposes of vesting employer contributions made  
12 prior to and after the reentry into the retirement system under  
13 subsection (3) of section 22 of this act, years of participation include  
14 years of participation prior to such employee's original termination. For  
15 a member who is not vested and has received a termination benefit  
16 pursuant to section 22 of this act, the years of participation prior to  
17 such employee's original termination shall be limited in a ratio equal to  
18 the amount that the member repays divided by the termination benefit  
19 withdrawn pursuant to section 19 of this act.

20       (b) The reemployed member may repay the value of, or a portion of  
21 the value of, the termination benefit withdrawn pursuant to section 22 of  
22 this act. A reemployed member who elects to repay all or a portion of the  
23 value of the termination benefit withdrawn pursuant to section 22 of this  
24 act shall repay the actual earnings on such value. Repayment of the  
25 termination benefit shall commence within three years of reemployment and  
26 shall be completed within five years of reemployment or prior to  
27 termination of employment, whichever occurs first, through (i) direct  
28 payments to the retirement system, (ii) installment payments made  
29 pursuant to a binding irrevocable payroll deduction authorization made by  
30 the member, (iii) an eligible rollover distribution as provided under the  
31 Internal Revenue Code, or (iv) a direct rollover distribution made in



1 accordance with section 401(a)(31) of the Internal Revenue Code.

2 (c) The value of the member's forfeited employer account, as of the  
3 date of forfeiture, shall be restored in a ratio equal to the amount of  
4 the benefit that the member has repaid divided by the termination benefit  
5 received. The employer account shall be restored first out of the current  
6 forfeiture amounts and then by additional employer contributions.

7 (3) For a member who retired pursuant to section 17 of this act and  
8 becomes a permanent full-time employee with a city under the Cities of  
9 the First Class Firefighters Cash Balance Retirement Act more than one  
10 hundred twenty days after his or her retirement date, the member shall  
11 continue receiving retirement benefits. Such a retired member or a  
12 retired member who received a lump-sum distribution of his or her benefit  
13 shall be considered a new employee as of the date of reemployment and  
14 shall not receive credit for any service prior to the member's retirement  
15 for purposes of the act.

16 (4) A member who is reinstated as an employee pursuant to a  
17 grievance or appeal of his or her termination by the city shall be a  
18 member upon reemployment and shall not be considered to have a break in  
19 service for such period of time that the grievance or appeal was pending.  
20 Following reinstatement, the member shall repay the value of the amount  
21 received from his or her employee account under subdivision (2)(b) of  
22 section 21 of this act.

23 Sec. 25. (1) When prior to the commencement of retirement benefits  
24 any firefighter participating in the retirement system dies other than in  
25 the line of duty, and except as provided in subsection (2) of this  
26 section, the entire member account shall be payable to the beneficiary or  
27 beneficiaries specified by the deceased firefighter prior to his or her  
28 death or to the deceased firefighter's estate in the event that no  
29 beneficiary was specified. The member account or portion thereof may be  
30 received by the beneficiary in the form of a single lump-sum payment, a  
31 straight life annuity, or any other optional form of benefit specified in

1 the retirement system's funding medium. In the event benefits are paid in  
2 the form of an annuity, such annuity shall be the amount provided by the  
3 annuity contract purchased or otherwise provided by the amount of  
4 retirement value to be paid to the beneficiary as of the date of the  
5 first payment. Upon the payment of a lump-sum distribution or the  
6 purchase and distribution of such annuity contract to the beneficiary,  
7 all obligations of the retirement system to the beneficiary shall  
8 terminate without exception.

9 (2) If any firefighter employed by such city as a member of its paid  
10 fire department who, while employed in such department entered military  
11 service and is still in military service, dies while employed by the city  
12 as a firefighter other than in the line of duty after becoming fifty  
13 years of age and before electing to retire, and after serving in the paid  
14 fire department of such city for at least twenty-one years, then a  
15 pension of at least twenty-five percent of his or her regular pay as  
16 defined in section 16-1021, in the form of a straight life annuity, shall  
17 be paid to the surviving spouse or minor children of such deceased  
18 firefighter. If the deceased firefighter is not survived by a spouse or  
19 in the event such surviving spouse dies before the minor children of such  
20 firefighter attain the age of majority, such pension benefit shall be  
21 paid to the firefighter's minor children until they have attained the age  
22 of majority. Each such child shall share equally in the total pension  
23 benefit to the age of majority, except that as soon as a child attains  
24 the age of majority, such pension benefit to such child shall cease and  
25 be reallocated among the remaining minor children until the last  
26 remaining child dies or reaches the age of majority.

27 In the event that the actuarial equivalent of the pension benefit  
28 payable under this subsection exceeds the retirement value at the time of  
29 the first payment, the city shall utilize such funds as may be necessary  
30 from the Firefighters Retirement System Fund to purchase or provide for  
31 the required pension benefit. In the event a deceased firefighter

1 described in this subsection is not survived by a spouse or minor  
2 children, his or her death benefits shall be provided under the  
3 provisions of subsection (1) of this section as if such firefighter were  
4 not employed by the city on January 1, 1984.

5 (3) In the event the surviving spouse or minor children of such  
6 deceased firefighter die before the aggregate amount of pension payments  
7 received by the firefighter and his or her survivor beneficiaries, if  
8 any, equals the total amount in the firefighter's employee account at the  
9 time of the first benefit payment, the difference between such total  
10 amount in the employee's account and the aggregate amount of pension  
11 payments received by the retired firefighter and his or her surviving  
12 beneficiaries, if any, shall be paid in a single lump-sum payment to the  
13 firefighter's beneficiary, or in the absence of a surviving beneficiary,  
14 his or her estate.

15 (4) To the extent that the retirement value at the date of death  
16 exceeds the amount required to purchase or provide the specified pension  
17 under subsection (2) of this section, the excess shall be paid in the  
18 manner provided in subsection (1) of this section.

19 (5) Any payments for the benefit of a minor child shall be made on  
20 behalf of such child to the surviving spouse or, if there is none, to the  
21 legal guardian of the child.

22 Sec. 26. (1) When prior to commencement of retirement benefits any  
23 firefighter participating in the retirement system dies in the line of  
24 duty or in case death is caused by or is the result of injuries received  
25 while in the line of duty and such firefighter is not survived by a  
26 spouse or minor children, the entire member account shall be payable to  
27 the beneficiary or beneficiaries specified by the deceased firefighter  
28 prior to his or her death or to the deceased firefighter's estate in the  
29 event that no beneficiary was specified. The member account or portion  
30 thereof may be paid in the form of a single lump-sum payment, a straight  
31 life annuity, or any other optional form of benefit specified in the

1 retirement system's funding medium. In the event that the actuarial  
2 equivalent of the pension benefit payable under this subsection exceeds  
3 the retirement value at the time of the first payment, the city shall  
4 utilize such funds as may be necessary from the Firefighters Retirement  
5 System Fund to purchase or provide for the required pension benefit. For  
6 a firefighter who is survived by a spouse or minor children, a retirement  
7 pension of fifty percent of regular pay shall be paid to the surviving  
8 spouse or, upon his or her remarriage or death, to the minor child or  
9 children during such child's or children's minority subject to deduction  
10 of the amounts paid as workers' compensation benefits on account of death  
11 as provided in section 16 of this act. Each such child shall share  
12 equally in the total pension benefit to the age of majority, except that  
13 as soon as a child attains the age of majority, such pension benefit to  
14 such child shall cease and be reallocated among the remaining minor  
15 children until the last remaining child dies or reaches the age of  
16 majority.

17 (2) Any payments for the benefit of a minor child shall be made on  
18 behalf of such child to the surviving spouse or, if there is none, to the  
19 legal guardian of the child.

20 (3) In the event the surviving spouse or minor children of such  
21 deceased firefighter die before the aggregate amount of pension payments  
22 received by the firefighter and his or her survivor beneficiaries, if  
23 any, equals the total amount in the firefighter's employee account at the  
24 time of the first benefit payment, the difference between the total  
25 amount in the employee account and the aggregate amount of pension  
26 payments received by the retired firefighter and his or her surviving  
27 beneficiaries, if any, shall be paid in a single lump-sum payment to the  
28 firefighter's beneficiary or, in the absence of a surviving beneficiary,  
29 his or her estate.

30 (4) To the extent that the retirement value at the date of death  
31 exceeds the amount required to purchase the specified retirement pension,

1 reduced by any amounts paid as workers' compensation benefits, the excess  
2 shall be paid in the manner provided in subsection (1) of section 25 of  
3 this act.

4       Sec. 27. Annuities or benefits which any person shall be entitled  
5 to receive under the Cities of the First Class Firefighters Cash Balance  
6 Retirement Act shall not be subject to garnishment, attachment, levy, the  
7 operation of bankruptcy or insolvency laws, or any other process of law  
8 whatsoever and shall not be assignable except to the extent that such  
9 annuities or benefits are subject to a qualified domestic relations order  
10 under the Spousal Pension Rights Act.

11       Sec. 28. (1) Any employee who, while an employee, entered into and  
12 served in the armed forces of the United States and who within ninety  
13 days after honorable discharge or honorable separation from active duty  
14 again became an employee shall be credited, for the purposes of section  
15 17 of this act, with all the time actually served in the armed forces as  
16 if such person had been an employee throughout such service in the armed  
17 forces pursuant to the terms and conditions of subsection (2) of this  
18 section.

19       (2) Under such rules and regulations as the retirement board adopts  
20 and promulgates, an employee who is reemployed pursuant to 38 U.S.C. 4301  
21 et seq., may pay to the retirement system an amount equal to the sum of  
22 all deductions which would have been made from the employee's  
23 compensation during such period of military service. Payment shall be  
24 made within the period required by law, not to exceed five years. To the  
25 extent that payment is made, (a) the employee shall be treated as not  
26 having incurred a break in service by reason of his or her period of  
27 military service, (b) the period of military service shall be credited  
28 for the purposes of determining the nonforfeitability of the member's  
29 accrued benefits and the accrual of benefits under the plan, and (c) the  
30 employer shall allocate the amount of employer contributions to the  
31 member's employer account in the same manner and to the same extent the

1 allocation occurs for other employees during the period of service. For  
2 purposes of member and employer contributions under this section, the  
3 member's compensation during the period of military service shall be the  
4 rate the member would have received but for the military service or, if  
5 not reasonably determinable, the average rate the member received during  
6 the twelve-month period immediately preceding military service.

7 (3) The employer shall pick up the member contributions made through  
8 irrevocable payroll deduction authorizations pursuant to this section,  
9 and the contributions so picked up shall be treated as employer  
10 contributions in the same manner as contributions picked up under section  
11 7 of this act.

12 Sec. 29. (1) For purposes of this section and section 30 of this  
13 act:

14 (a) Distributee means the member, the member's surviving spouse, or  
15 the member's former spouse who is an alternate payee under a qualified  
16 domestic relations order as defined in section 414(p) of the Internal  
17 Revenue Code;

18 (b) Direct rollover means a payment by the retirement system to the  
19 eligible retirement plan or plans specified by the distributee;

20 (c) Eligible retirement plan means (i) an individual retirement  
21 account described in section 408(a) of the Internal Revenue Code, (ii) an  
22 individual retirement annuity described in section 408(b) of the code,  
23 except for an endowment contract, (iii) a qualified plan described in  
24 section 401(a) of the code, (iv) an annuity plan described in section  
25 403(a) or 403(b) of the code, (v) except for purposes of section 28 of  
26 this act, an individual retirement plan described in section 408A of the  
27 code, and (vi) a plan described in section 457(b) of the code and  
28 maintained by a governmental employer. For eligible rollover  
29 distributions to a surviving spouse, an eligible retirement plan means  
30 subdivisions (1)(c)(i) through (vi) of this section; and

31 (d) Eligible rollover distribution means any distribution to a

1 distributee of all or any portion of the balance to the credit of the  
2 distributee in the plan, except such term shall not include any  
3 distribution which is one of a series of substantially equal periodic  
4 payments, not less frequently than annually, made for the life of the  
5 distributee or joint lives of the distributee and the distributee's  
6 beneficiary or for the specified period of ten years or more and shall  
7 not include any distribution to the extent such distribution is required  
8 under section 401(a)(9) of the Internal Revenue Code.

9 (2) A distributee may elect to have any portion of an eligible  
10 rollover distribution paid directly to an eligible retirement plan  
11 specified by the distributee.

12 (3) A member's surviving spouse or former spouse who is an alternate  
13 payee under a qualified domestic relations order and any designated  
14 beneficiary of a member who is not a surviving spouse or former spouse  
15 who is entitled to receive an eligible rollover distribution from the  
16 retirement system may, in accordance with such rules, regulations, and  
17 limitations as may be established by the board, elect to have such  
18 distribution made in the form of a direct transfer to a retirement plan  
19 eligible to receive such transfer under the provisions of the Internal  
20 Revenue Code.

21 (4) An eligible rollover distribution on behalf of a designated  
22 beneficiary of a member who is not a surviving spouse or former spouse of  
23 the member may be transferred to an individual retirement account or  
24 annuity described in section 408(a) or section 408(b) of the Internal  
25 Revenue Code that is established for the purpose of receiving the  
26 distribution on behalf of the designated beneficiary and that will be  
27 treated as an inherited individual retirement account or individual  
28 retirement annuity described in section 408(d)(3)(C) of the Internal  
29 Revenue Code.

30 (5) The board shall adopt and promulgate rules and regulations for  
31 direct rollover procedures which are consistent with section 401(a)(31)

1 of the Internal Revenue Code and which include, but are not limited to,  
2 the form and time of direct rollover distributions.

3       Sec. 30. (1) The retirement system may accept cash rollover  
4 contributions from a member who is making payment pursuant to section 24  
5 or 28 of this act if the contributions do not exceed the amount  
6 authorized to be paid by the member pursuant to such sections, and the  
7 contributions represent (a) all or any portion of the balance of the  
8 member's interest in a qualified plan under section 401(a) of the  
9 Internal Revenue Code or (b) the interest of the member from an  
10 individual retirement account or an individual retirement annuity, the  
11 entire amount of which is attributable to a qualified total distribution,  
12 as defined in the Internal Revenue Code, from a qualified plan under  
13 section 401(a) of the code and qualified as a tax-free rollover amount.  
14 The member's interest under subdivision (a) or (b) of this subsection  
15 must be transferred to the retirement system within sixty days from the  
16 date of the distribution from the qualified plan, individual retirement  
17 account, or individual retirement annuity.

18       (2) Cash transferred to the retirement system as a rollover  
19 contribution shall be deposited as other payments made under section 24  
20 or 28 of this act.

21       (3) Under the same conditions as provided in subsection (1) of this  
22 section, the retirement system may accept eligible rollover distributions  
23 from (a) an annuity contract described in section 403(b) of the Internal  
24 Revenue Code, (b) a plan described in section 457(b) of the code which is  
25 maintained by a state, a political subdivision of a state, or any agency  
26 or instrumentality of a state or political subdivision of a state, or (c)  
27 the portion of a distribution from an individual retirement account or  
28 annuity described in section 408(a) or 408(b) of the code that is  
29 eligible to be rolled over and would otherwise be includible in gross  
30 income. Amounts accepted pursuant to this subsection shall be deposited  
31 as all other payments under this section.



1       (4) The retirement system may accept direct rollover distributions  
2 made from a qualified plan pursuant to section 401(a)(31) of the Internal  
3 Revenue Code. The direct rollover distribution shall be deposited as all  
4 other payments under this section.

5       (5) The board shall adopt and promulgate rules and regulations  
6 defining procedures for acceptance of rollovers which are consistent with  
7 sections 401(a)(31) and 402 of the Internal Revenue Code.

8       Sec. 31. The retirement system may accept as payment for withdrawn  
9 amounts made pursuant to the Cities of the First Class Firefighters Cash  
10 Balance Retirement Act a direct trustee-to-trustee transfer from (1) an  
11 eligible tax-sheltered annuity plan as described in section 403(b) of the  
12 Internal Revenue Code or (2) an eligible deferred compensation plan as  
13 described in section 457(b) of the code on behalf of a member who is  
14 making payments for such amounts. The amount transferred shall not exceed  
15 the amount withdrawn and such transferred amount shall qualify as a  
16 purchase of permissive service credit by the member as defined in section  
17 415 of the code.

18       Sec. 32. Persons who have become members of the retirement system  
19 shall not thereafter lose their status as members while they remain  
20 employees.

21       Sec. 33. Any person who, knowing it to be false or fraudulent,  
22 presents or causes to be presented a false or fraudulent claim or benefit  
23 application, any false or fraudulent proof in support of such a claim or  
24 benefit, or false or fraudulent information which would affect a future  
25 claim or benefit application to be paid under the retirement system for  
26 the purpose of defrauding or attempting to defraud the retirement system  
27 shall be guilty of a Class II misdemeanor. The retirement board shall  
28 deny any benefits that it determines are based on false or fraudulent  
29 information and shall have a cause of action against the member to  
30 recover any benefits already paid on the basis of such information.

31       Sec. 34. Prior to April 1, 2022, the city clerk shall submit to the

1 board a list of all employees then eligible for participation in the  
2 plan, which list shall state the name and address of the employee and his  
3 or her gross monthly wage. For any members hired on or after April 1,  
4 2022, the city clerk shall submit to the board within ten days of hire,  
5 the name and address of the employee and his or her gross monthly wage.

6       Sec. 35. Every claim and demand under the Cities of the First Class  
7 Firefighters Cash Balance Retirement Act and against the retirement  
8 system or the board shall be forever barred unless the action is brought  
9 within two years of the time at which the claim accrued.

10       Sec. 36. All contributions to the retirement system, all property  
11 and rights purchased with the contributions, and all investment income  
12 attributable to the contributions, property, or rights shall be held in  
13 trust by the State of Nebraska for the exclusive benefit of members and  
14 their beneficiaries and shall only be used to pay benefits to such  
15 persons and to pay administrative expenses according to the Cities of the  
16 First Class Firefighters Cash Balance Retirement Act.

17       Sec. 37. Upon termination or partial termination of the retirement  
18 system or upon complete discontinuance of contributions under the  
19 retirement system, the rights of all affected members to the amounts  
20 credited to the members' accounts shall be nonforfeitable.

21       Sec. 38. Section 4-108, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23       4-108 (1) Notwithstanding any other provisions of law, unless  
24 exempted from verification under section 4-110 or pursuant to federal  
25 law, no state agency or political subdivision of the State of Nebraska  
26 shall provide public benefits to a person not lawfully present in the  
27 United States.

28       (2) Except as provided in section 4-110 or if exempted by federal  
29 law, every agency or political subdivision of the State of Nebraska shall  
30 verify the lawful presence in the United States of any person who has  
31 applied for public benefits administered by an agency or a political

1 subdivision of the State of Nebraska. This section shall be enforced  
2 without regard to race, religion, gender, ethnicity, or national origin.

3 (3) ~~No On and after October 1, 2009, no~~ employee of a state agency  
4 or political subdivision of the State of Nebraska shall be authorized to  
5 participate in any retirement system, including, but not limited to, the  
6 systems provided for in the Cities of the First Class Firefighters Cash  
7 Balance Retirement Act, the Class V School Employees Retirement Act, the  
8 County Employees Retirement Act, the Judges Retirement Act, the Nebraska  
9 State Patrol Retirement Act, the School Employees Retirement Act, and the  
10 State Employees Retirement Act, unless the employee (a) is a United  
11 States citizen or (b) is a qualified alien under the federal Immigration  
12 and Nationality Act, 8 U.S.C. 1101 et seq., as such act existed on  
13 January 1, 2009, and is lawfully present in the United States.

14 Sec. 39. Section 16-1020, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 16-1020 ~~Sections Except as provided in section 16-1039, sections~~  
17 ~~16-1020 to 16-1038 shall apply to all firefighters of a city of the first~~  
18 ~~class except: -~~

19 (1) As provided in section 16-1039; and

20 (2) Such sections shall not apply to any firefighter employed by a  
21 city of the first class on or after January 1, 2023, or to a firefighter  
22 employed prior to such date who elected to be subject to the Cities of  
23 the First Class Firefighters Cash Balance Retirement Act.

24 Sec. 40. Section 84-1501, Revised Statutes Cumulative Supplement,  
25 2020, is amended to read:

26 84-1501 (1) The Public Employees Retirement Board is hereby  
27 established.

28 (2)(a) The board shall consist of nine ~~eight~~ appointed members as  
29 described in this subsection and the state investment officer as a  
30 nonvoting, ex officio member. Seven ~~Six~~ of the appointed members shall be  
31 active or retired participants in the retirement systems administered by

1 the board, and two of the appointed members (i) shall not be employees of  
2 the State of Nebraska or any of its political subdivisions and (ii) shall  
3 have at least ten years of experience in the management of a public or  
4 private organization or have at least five years of experience in the  
5 field of actuarial analysis or the administration of an employee benefit  
6 plan.

7 (b) The seven ~~six~~ appointed members who are participants in the  
8 systems shall be as follows:

9 (i) Two of the appointed members shall be participants in the School  
10 Employees Retirement System of the State of Nebraska and shall include  
11 one administrator and one teacher;

12 (ii) One of the appointed members shall be a participant in the  
13 Nebraska Judges Retirement System as provided in the Judges Retirement  
14 Act;

15 (iii) One of the appointed members shall be a participant in the  
16 Nebraska State Patrol Retirement System;

17 (iv) One of the appointed members shall be a participant in the  
18 Retirement System for Nebraska Counties; ~~and~~

19 (v) One of the appointed members shall be a participant in the State  
20 Employees Retirement System of the State of Nebraska; and ~~-~~

21 (vi) One of the appointed members shall be a participant in the Cash  
22 Balance Retirement System for Firefighters in Cities of the First Class.

23 (c) Appointments to the board shall be made by the Governor and  
24 shall be subject to the approval of the Legislature. All appointed  
25 members shall be citizens of the State of Nebraska.

26 (3)(a) Except as otherwise provided in this subsection, all members  
27 shall serve for terms of five years or until a successor has been  
28 appointed and qualified. The terms shall begin on January 1 of the  
29 appropriate year.

30 (b) To ensure an experienced and knowledgeable board, the terms of  
31 the appointed members shall be staggered as follows:

1 (i) One of the two members described in subdivisions (2)(a)(i) and  
2 (ii) of this section shall be appointed to serve for a five-year term  
3 which begins in 2017;

4 (ii) One of the two members described in subdivisions (2)(a)(i) and  
5 (ii) of this section shall be appointed to serve for a five-year term  
6 which begins in 2018;

7 (iii) The participant in the School Employees Retirement System of  
8 the State of Nebraska who is a teacher shall be appointed for a five-year  
9 term which begins in 2019;

10 (iv) The participant in the School Employees Retirement System of  
11 the State of Nebraska who is an administrator and the participant in the  
12 State Employees Retirement System of the State of Nebraska shall be  
13 appointed for a five-year term which begins in 2020;

14 (v) The participant in the Retirement System for Nebraska Counties  
15 and the participant in the Nebraska Judges Retirement System shall be  
16 appointed to serve for a five-year term which begins in 2021;~~and~~

17 (vi) The participant in the Nebraska State Patrol Retirement System  
18 shall be appointed to serve for a three-year term which begins in 2020,  
19 and his or her successor shall be appointed to serve for a five-year term  
20 which begins in 2023; and -

21 (vii) The participant in the Cash Balance Retirement System for  
22 Firefighters in Cities of the First Class shall be appointed to serve for  
23 a five-year term which begins in 2023.

24 (4) In the event of a vacancy in office, the Governor shall appoint  
25 a person to serve the unexpired portion of the term subject to the  
26 approval of the Legislature.

27 (5) The appointed members of the board may be removed by the  
28 Governor for cause after notice and an opportunity to be heard.

29 Sec. 41. Section 84-1503, Revised Statutes Cumulative Supplement,  
30 2020, is amended to read:

31 84-1503 (1) It shall be the duty of the Public Employees Retirement

1 Board:

2 (a) To administer the retirement systems provided for in the Cities  
3 of the First Class Firefighters Cash Balance Retirement Act, the County  
4 Employees Retirement Act, the Judges Retirement Act, the Nebraska State  
5 Patrol Retirement Act, the School Employees Retirement Act, and the State  
6 Employees Retirement Act. The agency for the administration of the  
7 retirement systems and under the direction of the board shall be known  
8 and may be cited as the Nebraska Public Employees Retirement Systems;

9 (b) To appoint a director to administer the systems under the  
10 direction of the board. The appointment shall be subject to the approval  
11 of the Governor and a majority of the Legislature. The director shall be  
12 qualified by training and have at least five years of experience in the  
13 administration of a qualified public or private employee retirement plan.  
14 The director shall not be a member of the board. The salary of the  
15 director shall be set by the board. The director shall serve without term  
16 and may be removed by the board;

17 (c) To provide for an equitable allocation of expenses among the  
18 retirement systems administered by the board, and all expenses shall be  
19 provided from the investment income earned by the various retirement  
20 funds unless alternative sources of funds to pay expenses are specified  
21 by law;

22 (d) To administer the deferred compensation program authorized in  
23 section 84-1504;

24 (e) To hire an attorney, admitted to the Nebraska State Bar  
25 Association, to advise the board in the administration of the retirement  
26 systems listed in subdivision (a) of this subsection;

27 (f) To hire an internal auditor to perform the duties described in  
28 section 84-1503.04 who meets the minimum standards as described in  
29 section 84-304.03;

30 (g) To adopt and implement procedures for reporting information by  
31 employers, as well as testing and monitoring procedures in order to

1 verify the accuracy of such information. The information necessary to  
2 determine membership shall be provided by the employer. The board may  
3 adopt and promulgate rules and regulations and prescribe such forms  
4 necessary to carry out this subdivision. Nothing in this subdivision  
5 shall be construed to require the board to conduct onsite audits of  
6 political subdivisions for compliance with statutes, rules, and  
7 regulations governing the retirement systems listed in subdivision (1)(a)  
8 of this section regarding membership and contributions; and

9 (h) To prescribe and furnish forms for the public retirement system  
10 plan reports required to be filed pursuant to sections 2-3228, 12-101,  
11 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118,  
12 23-3526, 71-1631.02, and 79-987 through December 31, 2017.

13 (2) In administering the retirement systems listed in subdivision  
14 (1)(a) of this section, it shall be the duty of the board:

15 (a) To determine, based on information provided by the employer, the  
16 prior service annuity, if any, for each person who is an employee of the  
17 county on the date of adoption of the retirement system;

18 (b) To determine the eligibility of an individual to be a member of  
19 the retirement system and other questions of fact in the event of a  
20 dispute between an individual and the individual's employer;

21 (c) To adopt and promulgate rules and regulations, as the board may  
22 deem necessary, for the management of the board;

23 (d) To keep a complete record of all proceedings taken at any  
24 meeting of the board;

25 (e) To obtain, by a competitive, formal, and sealed bidding process  
26 through the materiel division of the Department of Administrative  
27 Services, actuarial services on behalf of the State of Nebraska as may be  
28 necessary in the administration and development of the retirement  
29 systems, including, but not limited to, preparation of an annual  
30 actuarial valuation report of each of the defined benefit and cash  
31 balance plans administered by the board. Such annual valuation reports

1 shall be presented by the actuary to the Nebraska Retirement Systems  
2 Committee of the Legislature at a public hearing or hearings. Any  
3 contract for actuarial services shall contain a provision allowing the  
4 actuary, without prior approval of the board, to perform actuarial  
5 studies of the systems as requested by entities other than the board, if  
6 notice, which does not identify the entity or substance of the request,  
7 is given to the board, all costs are paid by the requesting entity,  
8 results are provided to the board, the Nebraska Retirement Systems  
9 Committee of the Legislature, and the Legislative Fiscal Analyst upon  
10 being made public, and such actuarial studies do not interfere with the  
11 actuary's ongoing responsibility to the board. The term of the contract  
12 shall be for up to three years. A competitive, formal, and sealed bidding  
13 process shall be completed at least once every three years, unless the  
14 board determines that such a process would not be cost effective under  
15 the circumstances and that the actuarial services performed have been  
16 satisfactory, in which case the contract may also contain an option for  
17 renewal without a competitive, formal, and sealed bidding process for up  
18 to two additional three-year periods. An actuary under contract for the  
19 State of Nebraska shall be a member of the American Academy of Actuaries  
20 and meet the academy's qualification standards to render a statement of  
21 actuarial opinion;

22 (f) To direct the State Treasurer to transfer funds, as an expense  
23 of the retirement systems, to the Legislative Council Retirement Study  
24 Fund. Such transfer shall occur beginning on or after July 1, 2005, and  
25 at intervals of not less than five years and not more than fifteen years  
26 and shall be in such amounts as the Legislature shall direct;

27 (g) To adopt and promulgate rules and regulations, as the board may  
28 deem necessary, to carry out the provisions of each retirement system  
29 described in subdivision (1)(a) of this section, which includes, but is  
30 not limited to, the crediting of military service, direct rollover  
31 distributions, and the acceptance of rollovers;



1 (h) To obtain auditing services for a separate compliance audit of  
2 the retirement systems to be completed by December 31, 2020, and from  
3 time to time thereafter at the request of the Nebraska Retirement Systems  
4 Committee of the Legislature, to be completed not more than every four  
5 years but not less than every ten years. The compliance audit shall be in  
6 addition to the annual audit conducted by the Auditor of Public Accounts.  
7 The compliance audit shall include, but not be limited to, an examination  
8 of records, files, and other documents and an evaluation of all policies  
9 and procedures to determine compliance with all state and federal laws. A  
10 copy of the compliance audit shall be given to the Governor, the board,  
11 and the Nebraska Retirement Systems Committee of the Legislature and  
12 shall be presented to the committee at a public hearing;

13 (i) To adopt and promulgate rules and regulations, as the board may  
14 deem necessary, for the adjustment of contributions or benefits, which  
15 includes, but is not limited to: (i) The procedures for refunding  
16 contributions, adjusting future contributions or benefit payments, and  
17 requiring additional contributions or repayment of benefits; (ii) the  
18 process for a member, member's beneficiary, employee, or employer to  
19 dispute an adjustment to contributions or benefits; (iii) establishing  
20 materiality and de minimus amounts for agency transactions, adjustments,  
21 and inactive account closures; and (iv) notice provided to all affected  
22 persons. Following an adjustment, a timely notice shall be sent that  
23 describes the adjustment and the process for disputing an adjustment to  
24 contributions or benefits;

25 (j)(i) To amend the deferred compensation plan to require that in  
26 the event of a member's death except as provided in section 42-1107, the  
27 death benefit shall be paid to the following, in order of priority:

28 (A) To the member's surviving designated beneficiary on file with  
29 the board;

30 (B) To the spouse married to the member on the member's date of  
31 death if there is no surviving designated beneficiary on file with the

1 board; or

2 (C) To the member's estate if the member is not married on the  
3 member's date of death and there is no surviving designated beneficiary  
4 on file with the board; and

5 (ii) The priority designations described in subdivision (2)(j)(i) of  
6 this section shall not apply if the member has retired under a joint and  
7 survivor benefit option;

8 (k) To make a thorough investigation through the director or the  
9 director's designee, of any overpayment of a benefit, when in the  
10 judgment of the director such investigation is necessary, including, but  
11 not limited to, circumstances in which benefit payments are made after  
12 the death of a member or beneficiary and the retirement system is not  
13 made aware of such member's or beneficiary's death. In connection with  
14 any such investigation, the board, through the director or the director's  
15 designee, shall have the power to compel the attendance of witnesses and  
16 the production of books, papers, records, and documents, whether in  
17 hardcopy, electronic form, or otherwise, and issue subpoenas for such  
18 purposes. Such subpoenas shall be served in the same manner and have the  
19 same effect as subpoenas from district courts; and

20 (l) To administer all retirement system plans in a manner which will  
21 maintain each plan's status as a qualified plan pursuant to the Internal  
22 Revenue Code, as defined in section 49-801.01, including: Section 401(a)  
23 (9) of the Internal Revenue Code relating to the time and manner in which  
24 benefits are required to be distributed, including the incidental death  
25 benefit distribution requirement of section 401(a)(9)(G) of the Internal  
26 Revenue Code; section 401(a)(25) of the Internal Revenue Code relating to  
27 the specification of actuarial assumptions; section 401(a)(31) of the  
28 Internal Revenue Code relating to direct rollover distributions from  
29 eligible retirement plans; section 401(a)(37) of the Internal Revenue  
30 Code relating to the death benefit of a member whose death occurs while  
31 performing qualified military service; and section 401(a) of the Internal

1 Revenue Code by meeting the requirements of section 414(d) of the  
2 Internal Revenue Code relating to the establishment of retirement plans  
3 for governmental employees of a state or political subdivision thereof.  
4 The board may adopt and promulgate rules and regulations necessary or  
5 appropriate to maintain such status including, but not limited to, rules  
6 or regulations which restrict discretionary or optional contributions to  
7 a plan or which limit distributions from a plan.

8 (3) By March 31 of each year prior to 2020, and by April 10 of each  
9 year beginning in 2020, the board shall prepare a written plan of action  
10 and shall present such plan to the Nebraska Retirement Systems Committee  
11 of the Legislature at a public hearing. The plan shall include, but not  
12 be limited to, the board's funding policy, the administrative costs and  
13 other fees associated with each fund and plan overseen by the board,  
14 member education and informational programs, the director's duties and  
15 limitations, an organizational structure of the office of the Nebraska  
16 Public Employees Retirement Systems, and the internal control structure  
17 of such office to ensure compliance with state and federal laws.

18 (4)(a) Beginning in 2016, and at least every four years thereafter  
19 in even-numbered years or at the request of the Nebraska Retirement  
20 Systems Committee of the Legislature, the board shall obtain an  
21 experience study. Within thirty business days after presentation of the  
22 experience study to the board, the actuary shall present the study to the  
23 Nebraska Retirement Systems Committee at a public hearing. If the board  
24 does not adopt all of the recommendations in the experience study, the  
25 board shall provide a written explanation of its decision to the Nebraska  
26 Retirement Systems Committee and the Governor. The explanation shall be  
27 delivered within ten business days after formal action by the board to  
28 not adopt one or more of the recommendations.

29 (b) The director shall provide an electronic copy of the first draft  
30 and a final draft of the experience study and annual valuation reports to  
31 the Nebraska Retirement Systems Committee and the Governor when the

1 director receives the drafts from the actuary. The drafts shall be deemed  
2 confidential information. The draft copies obtained by the Nebraska  
3 Retirement Systems Committee and the Governor pursuant to this section  
4 shall not be considered public records subject to sections 84-712 to  
5 84-712.09.

6 (c) For purposes of this subsection, business days shall be computed  
7 by excluding the day the request is received, after which the designated  
8 period of time begins to run. A business day shall not include a Saturday  
9 or a Sunday or a day during which the Nebraska Public Employees  
10 Retirement Systems office is closed.

11 (5) It shall be the duty of the board to direct the State Treasurer  
12 to transfer funds, as an expense of the retirement system provided for  
13 under the Class V School Employees Retirement Act, to and from the Class  
14 V Retirement System Payment Processing Fund and the Class V School  
15 Employees Retirement Fund for the benefit of a retirement system provided  
16 for under the Class V School Employees Retirement Act to implement the  
17 provisions of section 79-986. The agency for the administration of this  
18 provision and under the direction of the board shall be known and may be  
19 cited as the Nebraska Public Employees Retirement Systems.

20 (6) Pursuant to section 79-9,121, it shall be the duty of the board  
21 to carry out the work plan, file the report, and contract with, bill, and  
22 receive payment from the employer of any Class V school employees  
23 retirement system established under the Class V School Employees  
24 Retirement Act and which existed on January 1, 2019, for all services  
25 performed in the conduct, completion, and report of such work plan  
26 regarding the transfer of management of any such Class V school employees  
27 retirement system.

28 Sec. 42. Section 84-1511, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 84-1511 (1) The Public Employees Retirement Board shall establish a  
31 comprehensive preretirement planning program for state patrol officers,

1 state employees, judges, county employees, ~~and~~ school employees, and  
2 firefighters who are members of the retirement systems established  
3 pursuant to the Cities of the First Class Firefighters Cash Balance  
4 Retirement Act, the County Employees Retirement Act, the Judges  
5 Retirement Act, the School Employees Retirement Act, the Nebraska State  
6 Patrol Retirement Act, and the State Employees Retirement Act. The  
7 program shall provide information and advice regarding the many changes  
8 employees face upon retirement, including, but not limited to, changes in  
9 physical and mental health, housing, family life, leisure activity, and  
10 retirement income.

11 (2) The preretirement planning program shall be available to all  
12 employees who have attained the age of fifty years or are within five  
13 years of qualifying for retirement or early retirement under their  
14 retirement systems.

15 (3) The preretirement planning program shall include information on  
16 the federal and state income tax consequences of the various annuity or  
17 retirement benefit options available to the employee, information on  
18 social security benefits, information on various local, state, and  
19 federal government programs and programs in the private sector designed  
20 to assist elderly persons, and information and advice the board deems  
21 valuable in assisting public employees in the transition from public  
22 employment to retirement.

23 (4) The board shall work with the Department of Health and Human  
24 Services, the personnel division of the Department of Administrative  
25 Services, employee groups, and any other governmental agency, including  
26 political subdivisions or bodies whose services or expertise may enhance  
27 the development or implementation of the preretirement planning program.

28 (5) Funding to cover the expense of the preretirement planning  
29 program shall be charged back to each retirement fund on a pro rata share  
30 based on the number of employees in each plan.

31 (6) The employer shall provide each eligible employee leave with pay

1 to attend up to two preretirement planning programs. For purposes of this  
2 subsection, leave with pay shall mean a day off paid by the employer and  
3 shall not mean vacation, sick, personal, or compensatory time. An  
4 employee may choose to attend a program more than twice, but such leave  
5 shall be at the expense of the employee and shall be at the discretion of  
6 the employer. An eligible employee shall not be entitled to attend more  
7 than one preretirement planning program per fiscal year prior to actual  
8 election of retirement.

9 (7) A nominal registration fee may be charged each person attending  
10 a preretirement planning program to cover the costs for meals, meeting  
11 rooms, or other expenses incurred under such program.

12 Sec. 43. If any section in this act or any part of any section is  
13 declared invalid or unconstitutional, the declaration shall not affect  
14 the validity or constitutionality of the remaining portions.

15 Sec. 44. Original sections 4-108, 16-1020, and 84-1511, Reissue  
16 Revised Statutes of Nebraska, and sections 84-1501 and 84-1503, Revised  
17 Statutes Cumulative Supplement, 2020, are repealed.

18 Sec. 45. Since an emergency exists, this act takes effect when  
19 passed and approved according to law.