

AMENDMENTS TO LB645

(Amendments to Standing Committee amendments, AM876)

Introduced by Ballard

1 1. Strike section 1 and insert the following new section:

2 **Section 1.** Section 79-958, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-958 (1)(a) {1} Beginning on September 1, 2012, and prior to July
5 1, 2025, for the purpose of providing the funds to pay for formula
6 annuities, every employee shall be required to deposit in the School
7 Retirement Fund nine and seventy-eight hundredths of one percent of
8 compensation. ~~Such deposits shall be transmitted at the same time and in~~
9 ~~the same manner as required employer contributions.~~

10 (b) Beginning in 2025 and each year thereafter, the employee
11 contribution rate shall be calculated as of July 1 and based on the
12 funded ratio of the actuarial value of assets in the School Retirement
13 Fund in the most recent previous year as reported in the annual actuarial
14 valuation report for the retirement system prepared for the retirement
15 board pursuant to section 84-1503. Beginning on July 1, 2025, for the
16 purpose of providing the funds to pay for formula annuities, every
17 employee shall be required to deposit the following amounts in the School
18 Retirement Fund:

19 (i) If the funded ratio on the actuarial value of assets in the
20 School Retirement Fund is less than ninety-six percent, nine and three-
21 quarters of one percent of compensation;

22 (ii) If the funded ratio on the actuarial value of assets in the
23 School Retirement Fund is ninety-six percent or greater and less than
24 ninety-eight percent, eight and three-quarters of one percent of
25 compensation;

26 (iii) If the funded ratio on the actuarial value of assets in the

1 School Retirement Fund is ninety-eight percent or greater and less than
2 one hundred percent, eight percent of compensation; and

3 (iv) If the funded ratio on the actuarial value of assets in the
4 School Retirement Fund is one hundred percent or greater, seven and one-
5 quarter of one percent of compensation.

6 (c) Deposits under this subsection shall be transmitted at the same
7 time and in the same manner as required employer contributions.

8 (2) For the purpose of providing the funds to pay for formula
9 annuities, every employer shall be required to deposit in the School
10 Retirement Fund one hundred one percent of the required contributions of
11 the school employees of each employer. Such deposits shall be transmitted
12 to the retirement board at the same time and in the same manner as such
13 required employee contributions.

14 (3) The employer shall pick up the member contributions required by
15 this section for all compensation paid on or after January 1, 1986, and
16 the contributions so picked up shall be treated as employer contributions
17 pursuant to section 414(h)(2) of the Internal Revenue Code in determining
18 federal tax treatment under the code and shall not be included as gross
19 income of the member until such time as they are distributed or made
20 available. The contributions, although designated as member
21 contributions, shall be paid by the employer in lieu of member
22 contributions. The employer shall pay these member contributions from the
23 same source of funds which is used in paying earnings to the member. The
24 employer shall pick up these contributions by a compensation deduction
25 through a reduction in the cash compensation of the member. Member
26 contributions picked up shall be treated for all purposes of the School
27 Employees Retirement Act in the same manner and to the same extent as
28 member contributions made prior to the date picked up.

29 (4) The employer shall pick up the member contributions made through
30 irrevocable payroll deduction authorizations pursuant to sections 79-921
31 and 79-933.03 to 79-933.06, and the contributions so picked up shall be

- 1 treated as employer contributions in the same manner as contributions
- 2 picked up under subsection (3) of this section.