

AMENDMENTS TO LB1101

Introduced by Nebraska Retirement Systems.

1           1. Strike the original sections and insert the following new  
2 sections:

3           **Section 1.** Section 24-703, Revised Statutes Supplement, 2025, is  
4 amended to read:

5           24-703 (1) Each original member shall contribute monthly four  
6 percent of his or her monthly compensation to the fund until the maximum  
7 benefit as limited in subsection (1) of section 24-710 has been earned.  
8 It shall be the duty of the Director of Administrative Services in  
9 accordance with subsection (7) of this section to make a deduction of  
10 four percent on the monthly payroll of each original member who is a  
11 judge of the Supreme Court, a judge of the Court of Appeals, a judge of  
12 the district court, a judge of a separate juvenile court, a judge of the  
13 county court, a clerk magistrate of the county court who was an associate  
14 county judge and a member of the fund at the time of his or her  
15 appointment as a clerk magistrate, or a judge of the Nebraska Workers'  
16 Compensation Court showing the amount to be deducted and its credit to  
17 the fund. The Director of Administrative Services and the State Treasurer  
18 shall credit the four percent as shown on the payroll and the amounts  
19 received from the various counties to the fund and remit the same to the  
20 director in charge of the judges retirement system who shall keep an  
21 accurate record of the contributions of each judge.

22           (2)(a) In addition to the contribution required under subdivision  
23 (c) of this subsection, beginning on July 1, 2004, each future member who  
24 became a member prior to July 1, 2015, and who has not elected to make  
25 contributions and receive benefits as provided in section 24-703.03 shall  
26 contribute monthly six percent of his or her monthly compensation to the  
27 fund until the maximum benefit as limited in subsection (2) of section

1 24-710 has been earned. After the maximum benefit as limited in  
2 subsection (2) of section 24-710 has been earned, such future member  
3 shall make no further contributions to the fund, except that (i) any time  
4 the maximum benefit is changed, a future member who has previously earned  
5 the maximum benefit as it existed prior to the change shall contribute  
6 monthly six percent of his or her monthly compensation to the fund until  
7 the maximum benefit as changed and as limited in subsection (2) of  
8 section 24-710 has been earned and (ii) such future member shall continue  
9 to make the contribution required under subdivision (c) of this  
10 subsection.

11 (b) In addition to the contribution required under subdivision (c)  
12 of this subsection, beginning on July 1, 2004, a judge who became a  
13 member prior to July 1, 2015, and who first serves as a judge on or after  
14 July 1, 2004, or a future member who became a member prior to July 1,  
15 2015, and who elects to make contributions and receive benefits as  
16 provided in section 24-703.03 shall contribute monthly eight percent of  
17 his or her monthly compensation to the fund until the maximum benefit as  
18 limited by subsection (2) of section 24-710 has been earned. In addition  
19 to the contribution required under subdivision (c) of this subsection,  
20 after the maximum benefit as limited in subsection (2) of section 24-710  
21 has been earned, such judge or future member shall contribute monthly  
22 four percent of his or her monthly compensation to the fund for the  
23 remainder of his or her active service.

24 (c) Beginning on July 1, 2009, a member or judge described in  
25 subdivisions (a) and (b) of this subsection shall contribute monthly an  
26 additional one percent of his or her monthly compensation to the fund.

27 (d) Beginning on July 1, 2015, a judge who first serves as a judge  
28 on or after such date shall contribute monthly ten percent of his or her  
29 monthly compensation to the fund prior to July 1, 2026.

30 (e) Beginning on July 1, 2026, a judge who first serves as a judge  
31 on or after July 1, 2015:

1           (i) If the benefits entitled to such judge under subsection (2) of  
2 section 24-710 have not reached the maximum retirement benefit base limit  
3 under such subsection, shall contribute monthly nine percent of his or  
4 her monthly compensation to the fund; and

5           (ii) If the benefits entitled to such judge under subsection (2) of  
6 section 24-710 have reached the maximum retirement benefit base limit  
7 under such subsection, shall contribute monthly five percent of his or  
8 her monthly compensation to the fund for the remainder of his or her  
9 active service.

10           (f) ~~(e)~~ It shall be the duty of the Director of Administrative  
11 Services to make a deduction on the monthly payroll of each such future  
12 member who is a judge of the Supreme Court, a judge of the Court of  
13 Appeals, a judge of the district court, a judge of a separate juvenile  
14 court, a judge of the county court, a clerk magistrate of the county  
15 court who was an associate county judge and a member of the fund at the  
16 time of his or her appointment as a clerk magistrate, or a judge of the  
17 Nebraska Workers' Compensation Court showing the amount to be deducted  
18 and its credit to the fund. This shall be done each month. The Director  
19 of Administrative Services and the State Treasurer shall credit the  
20 amount as shown on the payroll and the amounts received from the various  
21 counties to the fund and remit the same to the director in charge of the  
22 judges retirement system who shall keep an accurate record of the  
23 contributions of each judge.

24           (3)(a) Except as otherwise provided in this subsection, a Nebraska  
25 Retirement Fund for Judges fee of six dollars through June 30, 2021,  
26 eight dollars beginning July 1, 2021, through June 30, 2022, nine dollars  
27 beginning July 1, 2022, through June 30, 2023, ten dollars beginning July  
28 1, 2023, through June 30, 2024, eleven dollars beginning July 1, 2024,  
29 through June 30, 2025, and twelve dollars beginning July 1, 2025, shall  
30 be taxed as costs in each (i) civil cause of action, criminal cause of  
31 action, traffic misdemeanor or infraction, and city or village ordinance

1 violation filed in the district courts, the county courts, and the  
2 separate juvenile courts, (ii) filing in the district court of an order,  
3 award, or judgment of the Nebraska Workers' Compensation Court or any  
4 judge thereof pursuant to section 48-188, (iii) appeal or other  
5 proceeding filed in the Court of Appeals, and (iv) original action,  
6 appeal, or other proceeding filed in the Supreme Court. In county courts  
7 a sum shall be charged which is equal to ten percent of each fee provided  
8 by sections 33-125, 33-126.02, 33-126.03, and 33-126.06, rounded to the  
9 nearest even dollar. No judges retirement fee shall be charged for filing  
10 a report pursuant to sections 33-126.02 and 33-126.06.

11 (b) The fee increases described in subdivision (a) of this  
12 subsection shall not be taxed as a cost in any criminal cause of action,  
13 traffic misdemeanor or infraction, or city or village ordinance violation  
14 filed in the district court or the county court. The fee on such criminal  
15 causes of action, traffic misdemeanors or infractions, or city or village  
16 ordinance violations shall remain six dollars on and after July 1, 2021.

17 (c) When collected by the clerk of the district or county court,  
18 such fees shall be remitted to the State Treasurer within ten days after  
19 the close of each calendar month for credit to the Nebraska Retirement  
20 Fund for Judges. In addition, information regarding collection of court  
21 fees shall be submitted to the director in charge of the judges  
22 retirement system by the State Court Administrator within ten days after  
23 the close of each calendar month.

24 (d) The board may charge a late administrative processing fee not to  
25 exceed twenty-five dollars if the information is not timely received or  
26 the money is delinquent. In addition, the board may charge a late fee of  
27 thirty-eight thousandths of one percent of the amount required to be  
28 submitted pursuant to this section for each day such amount has not been  
29 received. Such late fees shall be remitted to the director who shall  
30 promptly thereafter remit such fees to the State Treasurer for credit to  
31 the fund.

1 (e) No Nebraska Retirement Fund for Judges fee which is  
2 uncollectible for any reason shall be waived by a county judge as  
3 provided in section 29-2709.

4 (4) All expenditures from the fund shall be authorized by voucher in  
5 the manner prescribed in section 24-713. The fund shall be used for the  
6 payment of all annuities and other benefits to members and their  
7 beneficiaries and for the expenses of administration.

8 (5)(a) Prior to July 1, 2021:

9 (i) Beginning July 1, 2013, and each fiscal year thereafter, the  
10 board shall cause an annual actuarial valuation to be performed that will  
11 value the plan assets for the year and ascertain the contributions  
12 required for such fiscal year. The actuary for the board shall perform an  
13 actuarial valuation of the system on the basis of actuarial assumptions  
14 recommended by the actuary, approved by the board, and kept on file with  
15 the board using the entry age actuarial cost method. Under this method,  
16 the actuarially required funding rate is equal to the normal cost rate,  
17 plus the contribution rate necessary to amortize the unfunded actuarial  
18 accrued liability on a level percentage of salary basis. The normal cost  
19 under this method shall be determined for each individual member on a  
20 level percentage of salary basis. The normal cost amount is then summed  
21 for all members;

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

29 (iii) If the unfunded actuarial accrued liability under the entry  
30 age actuarial cost method is zero or less than zero on an actuarial  
31 valuation date, then all prior unfunded actuarial accrued liabilities

1 shall be considered fully funded and the unfunded actuarial accrued  
2 liability shall be reinitialized and amortized over a thirty-year period  
3 as of the actuarial valuation date; and

4 (iv) If the actuarially required contribution rate exceeds the rate  
5 of all contributions required pursuant to the Judges Retirement Act,  
6 there shall be a supplemental appropriation sufficient to pay for the  
7 differences between the actuarially required contribution rate and the  
8 rate of all contributions required pursuant to the Judges Retirement Act.

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

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

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

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

1 (iv) If the actuarially required contribution rate exceeds the rate  
2 of all contributions required pursuant to the Judges Retirement Act,  
3 there shall be a supplemental appropriation sufficient to pay for the  
4 differences between the actuarially required contribution rate and the  
5 rate of all contributions required pursuant to the act.

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

17 (d) For purposes of this subsection, the rate of all contributions  
18 required pursuant to the Judges Retirement Act includes (i) member  
19 contributions, (ii) state contributions pursuant to subsection (6) of  
20 this section which shall be considered as a contribution for the plan  
21 year ending the prior June 30, (iii) court fees as provided in subsection  
22 (3) of this section, and (iv) all fees pursuant to sections 25-2804,  
23 33-103, 33-103.01, 33-106.02, 33-123, 33-124, 33-125, 33-126.02,  
24 33-126.03, and 33-126.06, as directed to be remitted to the fund.

25 (6)(a)(i) ~~(6)(a)~~ In addition to the contributions otherwise required  
26 by this section, beginning July 1, 2023, and on July 1 of each year  
27 thereafter, the state shall contribute from the General Fund to the  
28 Nebraska Retirement Fund for Judges an amount equal to the following five  
29 percent of the total annual compensation of all members of the retirement  
30 system except as otherwise provided in this subsection and as such rate  
31 shall be adjusted or terminated by the Legislature; -

1           (A) Prior to July 1, 2026, five percent; and

2           (B) Beginning July 1, 2026, zero percent.

3           (ii) No adjustment may cause the total contribution rate established  
4 in this subsection to exceed five percent.

5           (iii) For purposes of this subsection: τ

6           (A) Total ~~(i) total~~ annual compensation is based on the total member  
7 compensation reported in the most recent annual actuarial valuation  
8 report for the retirement system produced for the board pursuant to  
9 section 84-1503; and

10           (B) The ~~(ii) the~~ contribution described in this subsection shall be  
11 considered as a contribution for the plan year ending the prior June 30.

12           (b) If the funded ratio on the actuarial value of assets is at or  
13 above one hundred percent for two consecutive years as reported in the  
14 annual actuarial valuation report, the actuary shall assess whether the  
15 percentage of the state contribution rate should be adjusted based on  
16 projected annual actuarial valuation report results including the funded  
17 ratio, actuarial contribution, and expected revenue sources using several  
18 assumed investment return scenarios that the actuary deems to be  
19 reasonable, and shall make a recommendation to the board as part of the  
20 annual actuarial valuation report.

21           (c) If the state contribution rate has been adjusted to less than  
22 five percent and the funded ratio on the actuarial value of assets is  
23 below one hundred percent for two consecutive years as reported in the  
24 annual actuarial valuation report, the actuary shall assess whether the  
25 percentage of the state contribution rate should be adjusted based on  
26 projected annual actuarial valuation report results including the funded  
27 ratio, actuarial contribution, and expected revenue sources using several  
28 assumed investment return scenarios that the actuary deems to be  
29 reasonable, and shall make a recommendation to the board as part of the  
30 annual actuarial valuation report.

31           (d) If an annual actuarial valuation report includes a

1 recommendation from the actuary to adjust the contribution rate as  
2 described in subdivision (b) or (c) of this subsection, the board shall  
3 provide written notice electronically to the Nebraska Retirement Systems  
4 Committee of the Legislature, to the Governor, and to the Supreme Court  
5 of such recommendation within seven business days after voting to approve  
6 an annual actuarial valuation report. The notice shall include the  
7 actuary's recommendation and analysis regarding such adjustment.

8 (e) Following receipt of the actuary's recommendation and analysis  
9 pursuant to this subsection, the Nebraska Retirement Systems Committee of  
10 the Legislature shall determine the amount of any adjustment of the  
11 contribution rate and, if necessary, shall propose any such adjustment to  
12 the Legislature.

13 (7) The state or county shall pick up the member contributions  
14 required by this section for all compensation paid on or after January 1,  
15 1985, and the contributions so picked up shall be treated as employer  
16 contributions pursuant to section 414(h)(2) of the Internal Revenue Code  
17 in determining federal tax treatment under the code and shall not be  
18 included as gross income of the member until such time as they are  
19 distributed or made available. The contributions, although designated as  
20 member contributions, shall be paid by the state or county in lieu of  
21 member contributions. The state or county shall pay these member  
22 contributions from the same source of funds which is used in paying  
23 earnings to the member. The state or county shall pick up these  
24 contributions by a compensation deduction through a reduction in the  
25 compensation of the member. Member contributions picked up shall be  
26 treated for all purposes of the Judges Retirement Act in the same manner  
27 and to the extent as member contributions made prior to the date picked  
28 up.

29 **Sec. 2.** Section 24-710, Revised Statutes Cumulative Supplement,  
30 2024, is amended to read:

31 24-710 (1) The retirement annuity of a judge who is an original

1 member, who has not made the election provided for in section 24-710.01,  
2 and who retires under section 24-708 or 24-709 shall be computed as  
3 follows: Each such judge shall be entitled to receive an annuity, each  
4 monthly payment of which shall be in an amount equal to three and one-  
5 third percent of his or her final average compensation as such judge,  
6 multiplied by the number of his or her years of creditable service. The  
7 amount stated in this section shall be supplemental to any benefits  
8 received by such judge under the Nebraska and federal old age and  
9 survivors' insurance acts at the date of retirement, but the monthly  
10 combined benefits received thereunder and by the Judges Retirement Act  
11 shall not exceed sixty-five percent of the final average compensation  
12 such judge was receiving when he or she last served as such judge. The  
13 amount of retirement annuity of a judge who retires under section 24-708  
14 or 24-709 shall not be less than twenty-five dollars per month if he or  
15 she has four years or more of service credit.

16 (2)(a) (2) The retirement annuity of a judge who is a future member  
17 and who retires after July 1, 1986, under section 24-708 or 24-709 shall  
18 be computed as follows: Each such judge shall be entitled to receive an  
19 annuity, each monthly payment of which shall be in an amount equal to  
20 three and one-half percent of his or her final average compensation as  
21 such judge, multiplied by the number of his or her years of creditable  
22 service, except that prior to an actuarial factor adjustment for purposes  
23 of calculating an optional form of annuity benefits under subsection (3)  
24 of this section, the monthly benefits received under this subsection  
25 shall not exceed the maximum retirement benefit base limit.

26 (b) For purposes of this subsection, maximum retirement benefit base  
27 limit means the benefits that are received under this subsection that are  
28 seventy percent of the final average compensation such judge was  
29 receiving when he or she last served as such judge.

30 (3) Except as provided in section 42-1107, any member may, when  
31 filing an application as provided by the retirement system, elect to

1 receive, in lieu of the normal form annuity benefits to which the member  
2 or his or her beneficiary may otherwise be entitled under the Judges  
3 Retirement Act, an optional form of annuity benefits which the board may  
4 by rules and regulations provide, the value of which, determined by  
5 accepted actuarial methods and on the basis of actuarial assumptions  
6 recommended by the actuary, approved by the board, and kept on file in  
7 the office of the director, is equal to the value of the benefit  
8 replaced. The board may (a) adopt and promulgate appropriate rules and  
9 regulations to establish joint and survivorship annuities, with and  
10 without reduction on the death of the first annuitant, and such other  
11 forms of annuities as may in its judgment be appropriate and establishing  
12 benefits as provided in sections 24-707 and 24-707.01, (b) prescribe  
13 appropriate forms for making the election by the members, and (c) provide  
14 for the necessary actuarial services to make the required valuations.

15 (4) A one-time cost-of-living adjustment shall be made for each  
16 retired judge and each surviving beneficiary who is receiving a  
17 retirement annuity as provided for in this section. The annuity shall be  
18 adjusted by the increase in the cost of living or wage levels between the  
19 effective date of retirement and June 30, 1992, except that such  
20 increases shall not exceed three percent per year of retirement and the  
21 total increase shall not exceed two hundred fifty dollars per month.

22 **Sec. 3.** Section 24-710.14, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 24-710.14 (1) This section applies to ~~On July 1 of each year, for~~  
25 judges who became members on or after July 1, 2015. ÷

26 (2)(a) (1) The board shall determine the number of retired members  
27 or beneficiaries in the retirement system who became members on or after  
28 July 1, 2015, and an annual benefit adjustment shall be made by the board  
29 for each retired member or beneficiary. The benefit paid to a retired  
30 member or beneficiary under this section shall be increased annually by  
31 the lesser of:

1           (i) ~~(a)~~ the percentage change in the Consumer Price Index for  
2 Urban Wage Earners and Clerical Workers for the period between June 30 of  
3 the prior year to June 30 of the present year; or

4           (ii)(A) Prior to July 1, 2026, ~~(b)~~ one percent; or -

5           (B) Beginning on and after July 1, 2026, two and one-half percent.

6           (b) If the consumer price index used in this section is discontinued  
7 or replaced, a substitute index published by the United States Department  
8 of Labor shall be selected by the board which shall be a reasonable  
9 representative measurement of the cost-of-living for retired employees. ÷

10           (3) ~~(2)~~ Each retired member or beneficiary shall receive the sum of  
11 the annual benefit adjustment and such retiree's total monthly benefit  
12 less withholding, which sum shall be the retired member's or  
13 beneficiary's adjusted total monthly benefit. Each retired member or  
14 beneficiary shall receive the adjusted total monthly benefit until the  
15 expiration of the annuity option selected by the member or until the  
16 retired member or beneficiary again qualifies for the annual benefit  
17 adjustment, whichever occurs first. ÷ ~~and~~

18           (4) ~~(3)~~ The annual benefit adjustment pursuant to this section shall  
19 not cause a current benefit to be reduced, and a retired member or  
20 beneficiary shall never receive less than the adjusted total monthly  
21 benefit until the annuity option selected by the member expires.

22           **Sec. 4.** Original section 24-710.14, Reissue Revised Statutes of  
23 Nebraska, section 24-710, Revised Statutes Cumulative Supplement, 2024,  
24 and section 24-703, Revised Statutes Supplement, 2025, are repealed.

25           **Sec. 5.** Since an emergency exists, this act takes effect when  
26 passed and approved according to law.