

AMENDMENTS TO LB295

Introduced by Nebraska Retirement Systems.

1 1. Strike original section 18 and insert the following new sections:

2 **Sec. 5.** Section 24-703, Revised Statutes Cumulative Supplement,
3 2024, is amended to read:

4 24-703 (1) Each original member shall contribute monthly four
5 percent of his or her monthly compensation to the fund until the maximum
6 benefit as limited in subsection (1) of section 24-710 has been earned.
7 It shall be the duty of the Director of Administrative Services in
8 accordance with subsection (7) of this section to make a deduction of
9 four percent on the monthly payroll of each original member who is a
10 judge of the Supreme Court, a judge of the Court of Appeals, a judge of
11 the district court, a judge of a separate juvenile court, a judge of the
12 county court, a clerk magistrate of the county court who was an associate
13 county judge and a member of the fund at the time of his or her
14 appointment as a clerk magistrate, or a judge of the Nebraska Workers'
15 Compensation Court showing the amount to be deducted and its credit to
16 the fund. The Director of Administrative Services and the State Treasurer
17 shall credit the four percent as shown on the payroll and the amounts
18 received from the various counties to the fund and remit the same to the
19 director in charge of the judges retirement system who shall keep an
20 accurate record of the contributions of each judge.

21 (2)(a) In addition to the contribution required under subdivision
22 (c) of this subsection, beginning on July 1, 2004, each future member who
23 became a member prior to July 1, 2015, and who has not elected to make
24 contributions and receive benefits as provided in section 24-703.03 shall
25 contribute monthly six percent of his or her monthly compensation to the
26 fund until the maximum benefit as limited in subsection (2) of section
27 24-710 has been earned. After the maximum benefit as limited in

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

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

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

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

29 (e) It shall be the duty of the Director of Administrative Services
30 to make a deduction on the monthly payroll of each such future member who
31 is a judge of the Supreme Court, a judge of the Court of Appeals, a judge

1 of the district court, a judge of a separate juvenile court, a judge of
2 the county court, a clerk magistrate of the county court who was an
3 associate county judge and a member of the fund at the time of his or her
4 appointment as a clerk magistrate, or a judge of the Nebraska Workers'
5 Compensation Court showing the amount to be deducted and its credit to
6 the fund. This shall be done each month. The Director of Administrative
7 Services and the State Treasurer shall credit the amount as shown on the
8 payroll and the amounts received from the various counties to the fund
9 and remit the same to the director in charge of the judges retirement
10 system who shall keep an accurate record of the contributions of each
11 judge.

12 (3)(a) Except as otherwise provided in this subsection, a Nebraska
13 Retirement Fund for Judges fee of six dollars through June 30, 2021,
14 eight dollars beginning July 1, 2021, through June 30, 2022, nine dollars
15 beginning July 1, 2022, through June 30, 2023, ten dollars beginning July
16 1, 2023, through June 30, 2024, eleven dollars beginning July 1, 2024,
17 through June 30, 2025, and twelve dollars beginning July 1, 2025, shall
18 be taxed as costs in each (i) civil cause of action, criminal cause of
19 action, traffic misdemeanor or infraction, and city or village ordinance
20 violation filed in the district courts, the county courts, and the
21 separate juvenile courts, (ii) filing in the district court of an order,
22 award, or judgment of the Nebraska Workers' Compensation Court or any
23 judge thereof pursuant to section 48-188, (iii) appeal or other
24 proceeding filed in the Court of Appeals, and (iv) original action,
25 appeal, or other proceeding filed in the Supreme Court. In county courts
26 a sum shall be charged which is equal to ten percent of each fee provided
27 by sections 33-125, 33-126.02, 33-126.03, and 33-126.06, rounded to the
28 nearest even dollar. No judges retirement fee shall be charged for filing
29 a report pursuant to sections 33-126.02 and 33-126.06.

30 (b) The fee increases described in subdivision (a) of this
31 subsection shall not be taxed as a cost in any criminal cause of action,

1 traffic misdemeanor or infraction, or city or village ordinance violation
2 filed in the district court or the county court. The fee on such criminal
3 causes of action, traffic misdemeanors or infractions, or city or village
4 ordinance violations shall remain six dollars on and after July 1, 2021.

5 (c) When collected by the clerk of the district or county court,
6 such fees shall be remitted to the State Treasurer within ten days after
7 the close of each calendar month for credit to the Nebraska Retirement
8 Fund for Judges. In addition, information regarding collection of court
9 fees shall be submitted to the director in charge of the judges
10 retirement system by the State Court Administrator within ten days after
11 the close of each calendar month.

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

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

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

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

28 (i) Beginning July 1, 2013, and each fiscal year thereafter, the
29 board shall cause an annual actuarial valuation to be performed that will
30 value the plan assets for the year and ascertain the contributions
31 required for such fiscal year. The actuary for the board shall perform an

1 actuarial valuation of the system on the basis of actuarial assumptions
2 recommended by the actuary, approved by the board, and kept on file with
3 the board using the entry age actuarial cost method. Under this method,
4 the actuarially required funding rate is equal to the normal cost rate,
5 plus the contribution rate necessary to amortize the unfunded actuarial
6 accrued liability on a level percentage of salary basis. The normal cost
7 under this method shall be determined for each individual member on a
8 level percentage of salary basis. The normal cost amount is then summed
9 for all members;

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

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

23 (iv) If the actuarially required contribution rate exceeds the rate
24 of all contributions required pursuant to the Judges Retirement Act,
25 there shall be a supplemental appropriation sufficient to pay for the
26 differences between the actuarially required contribution rate and the
27 rate of all contributions required pursuant to the Judges Retirement Act.

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

29 (i) The board shall cause an annual actuarial valuation to be
30 performed that will value the plan assets for the year and ascertain the
31 contributions required for such fiscal year. The actuary for the board

1 shall perform an actuarial valuation of the system on the basis of
2 actuarial assumptions recommended by the actuary, approved by the board,
3 and kept on file with the board using the entry age actuarial cost
4 method. Under such method, the actuarially required funding rate is equal
5 to the normal cost rate, plus the contribution rate necessary to amortize
6 the unfunded actuarial accrued liability on a level percentage of salary
7 basis. The normal cost under such method shall be determined for each
8 individual member on a level percentage of salary basis. The normal cost
9 amount is then summed for all members;

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

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

20 (iv) If the actuarially required contribution rate exceeds the rate
21 of all contributions required pursuant to the Judges Retirement Act,
22 there shall be a supplemental appropriation sufficient to pay for the
23 differences between the actuarially required contribution rate and the
24 rate of all contributions required pursuant to the act.

25 (c) Upon the recommendation of the actuary to the board, and after
26 the board notifies the Nebraska Retirement Systems Committee of the
27 Legislature, the board may combine or offset certain amortization bases
28 to reduce future volatility of the actuarial contribution rate. Such
29 notification to the committee shall be in writing and include, at a
30 minimum, the actuary's projection of the contributions to fund the plan
31 if the combination or offset were not implemented, the actuary's

1 projection of the contributions to fund the plan if the combination or
2 offset were implemented, and the actuary's explanation of why the
3 combination or offset is in the best interests of the plan at the
4 proposed time.

5 (d) For purposes of this subsection, the rate of all contributions
6 required pursuant to the Judges Retirement Act includes (i) member
7 contributions, (ii) state contributions pursuant to subsection (6) of
8 this section which shall be considered as a contribution for the plan
9 year ending the prior June 30, (iii) court fees as provided in subsection
10 (3) of this section, and (iv) all fees pursuant to sections 25-2804,
11 33-103, 33-103.01, 33-106.02, 33-123, 33-124, 33-125, 33-126.02,
12 33-126.03, and 33-126.06, as directed to be remitted to the fund.

13 (6)(a) In addition to the contributions otherwise required by this
14 section, beginning July 1, 2023, and on July 1 of each year thereafter,
15 ~~the state shall contribute or as soon thereafter as administratively~~
16 ~~possible, the State Treasurer shall transfer~~ from the General Fund to the
17 Nebraska Retirement Fund for Judges an amount equal to five percent of
18 the total annual compensation of all members of the retirement system
19 except as otherwise provided in this subsection and as such rate shall be
20 adjusted or terminated by the Legislature. No adjustment may cause the
21 total contribution rate established in this subsection to exceed five
22 percent. For purposes of this subsection, (i) total annual compensation
23 is based on the total member compensation reported in the most recent
24 annual actuarial valuation report for the retirement system produced for
25 the board pursuant to section 84-1503 and (ii) the contribution described
26 in this subsection shall be considered as a contribution for the plan
27 year ending the prior June 30.

28 (b) If the funded ratio on the actuarial value of assets is at or
29 above one hundred percent for two consecutive years as reported in the
30 annual actuarial valuation report, the actuary shall assess whether the
31 percentage of the state contribution rate should be adjusted based on

1 projected annual actuarial valuation report results including the funded
2 ratio, actuarial contribution, and expected revenue sources using several
3 assumed investment return scenarios that the actuary deems to be
4 reasonable, and shall make a recommendation to the board as part of the
5 annual actuarial valuation report.

6 (c) If the state contribution rate has been adjusted to less than
7 five percent and the funded ratio on the actuarial value of assets is
8 below one hundred percent for two consecutive years as reported in the
9 annual actuarial valuation report, the actuary shall assess whether the
10 percentage of the state contribution rate should be adjusted based on
11 projected annual actuarial valuation report results including the funded
12 ratio, actuarial contribution, and expected revenue sources using several
13 assumed investment return scenarios that the actuary deems to be
14 reasonable, and shall make a recommendation to the board as part of the
15 annual actuarial valuation report.

16 (d) If an annual actuarial valuation report includes a
17 recommendation from the actuary to adjust the contribution rate as
18 described in subdivision (b) or (c) of this subsection, the board shall
19 provide written notice electronically to the Nebraska Retirement Systems
20 Committee of the Legislature, to the Governor, and to the Supreme Court
21 of such recommendation within seven business days after voting to approve
22 an annual actuarial valuation report. The notice shall include the
23 actuary's recommendation and analysis regarding such adjustment.

24 (e) Following receipt of the actuary's recommendation and analysis
25 pursuant to this subsection, the Nebraska Retirement Systems Committee of
26 the Legislature shall determine the amount of any adjustment of the
27 contribution rate and, if necessary, shall propose any such adjustment to
28 the Legislature.

29 (7) The state or county shall pick up the member contributions
30 required by this section for all compensation paid on or after January 1,
31 1985, and the contributions so picked up shall be treated as employer

1 contributions pursuant to section 414(h)(2) of the Internal Revenue Code
2 in determining federal tax treatment under the code and shall not be
3 included as gross income of the member until such time as they are
4 distributed or made available. The contributions, although designated as
5 member contributions, shall be paid by the state or county in lieu of
6 member contributions. The state or county shall pay these member
7 contributions from the same source of funds which is used in paying
8 earnings to the member. The state or county shall pick up these
9 contributions by a compensation deduction through a reduction in the
10 compensation of the member. Member contributions picked up shall be
11 treated for all purposes of the Judges Retirement Act in the same manner
12 and to the extent as member contributions made prior to the date picked
13 up.

14 **Sec. 26.** Sections 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,
15 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 27 become operative three
16 calendar months after the adjournment of this legislative session. The
17 other sections of this act become operative on their effective date.

18 **Sec. 28.** Original section 24-703, Revised Statutes Cumulative
19 Supplement, 2024, is repealed.

20 **Sec. 29.** Since an emergency exists, this act takes effect when
21 passed and approved according to law.

22 2. On page 10, line 19; page 26, line 16; page 41, line 8; page 73,
23 line 2; and page 87, line 30, strike "overpayment" and insert "benefit
24 overpayment and repayment of such benefit would create a significant
25 hardship".

26 3. On page 18, line 7; and page 93, line 5, strike "overpayment" and
27 insert "benefit overpayment and repayment of such gross distributions
28 would create a significant hardship".

29 4. On page 37, line 5, strike "one hundred twenty", show as
30 stricken, and insert "two hundred seventy".

31 5. On page 50, line 31, strike the new matter and reinstate the

1 stricken matter.

2 6. On page 51, line 3, strike "creditable", show as stricken, and
3 insert "membership".

4 7. On page 64, line 4, strike "If", reinstate the stricken "Within",
5 and after the reinstated "Within" insert "ninety"; and reinstate the
6 stricken matter beginning with "days" in line 4 through "if" in line 5.

7 8. On page 101, line 20, strike "81-2017,".

8 9. Renumber the remaining sections accordingly.