

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 221

Introduced by Ibach, 44.

Read first time January 10, 2023

Committee: Nebraska Retirement Systems

- 1 A BILL FOR AN ACT relating to retirement; to amend section 16-1021,
- 2 Reissue Revised Statutes of Nebraska; to redefine a term relating to
- 3 all firefighters of a city of the first class; and to repeal the
- 4 original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 16-1021, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 16-1021 For the purposes of sections 16-1020 to 16-1042, unless the
4 context otherwise requires:

5 (1) Actuarial equivalent means equality in value of the aggregate
6 amount of benefit expected to be received under different forms or at
7 different times determined as of a given date as adopted by the city or
8 the retirement committee for use by the retirement system. Actuarial
9 equivalencies shall be specified in the funding medium established for
10 the retirement system, except that if benefits under the retirement
11 system are obtained through the purchase of an annuity contract, the
12 actuarial equivalency of any such form of benefit shall be the amount of
13 pension benefit which can be purchased or otherwise provided by such
14 contract. All actuarial and mortality assumptions adopted by the city or
15 retirement committee shall be on a sex-neutral basis;

16 (2) Annuity contract means the contract or contracts issued by one
17 or more life insurance companies or designated trusts and purchased by
18 the retirement system in order to provide any of the benefits described
19 in such sections. Annuity conversion rates contained in any such contract
20 shall be specified on a sex-neutral basis;

21 (3) Beneficiary means the person or persons designated by a
22 firefighter, pursuant to a written instrument filed with the retirement
23 committee before the firefighter's death, to receive death benefits which
24 may be payable under the retirement system;

25 (4) Funding agent means any bank, trust company, life insurance
26 company, thrift institution, credit union, or investment management firm
27 selected by the retirement committee, subject to the approval of the
28 city, to hold or invest the funds of the retirement system;

29 (5) Regular interest means the rate of interest earned each calendar
30 year commencing January 1, 1984, equal to the rate of net earnings
31 realized for the calendar year from investments of the retirement fund.

1 Net earnings means the amount by which income or gain realized from
2 investments of the retirement fund exceeds the amount of any realized
3 losses from such investments during the calendar year. The retirement
4 committee shall annually report the amount of regular interest earned for
5 such year;

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

8 (7) Retirement committee means the retirement committee created
9 pursuant to section 16-1034;

10 (8) Retirement system means a retirement system established pursuant
11 to sections 16-1020 to 16-1042;

12 (9) Retirement value means the accumulated value of the
13 firefighter's employee account and employer account. The retirement value
14 at any time shall consist of the sum of the contributions made or
15 transferred to such accounts by the firefighter and by the city on the
16 firefighter's behalf and the regular interest credited to the accounts
17 through such date, reduced by any realized losses which were not taken
18 into account in determining regular interest in any year, and as further
19 adjusted each year to reflect the accounts' pro rata share of the
20 appreciation or depreciation of the assets of the retirement system as
21 determined by the retirement committee at their fair market values,
22 including any account under subsection (2) of section 16-1036. Such
23 valuation shall be undertaken at least annually as of December 31 of each
24 year and at such other times as may be directed by the retirement
25 committee. The value of each account shall be reduced each year by the
26 appropriate share of the investment costs as provided in section
27 16-1036.01. The retirement value shall be further reduced by the amount
28 of all distributions made to or on the behalf of the firefighter from the
29 retirement system;

30 (10) Salary means all amounts paid to a participating firefighter by
31 the employing city for personal services the base rate of pay, excluding

1 ~~overtime, callback pay, clothing allowances, and other such benefits~~ as
2 reported on the participant's federal income tax withholding statement,
3 including the firefighters' contributions picked up by the city as
4 provided in subsection (2) of section 16-1024 and any salary reduction
5 contributions which are excludable from income for federal income tax
6 purposes pursuant to section 125 or 457 of the Internal Revenue Code;

7 (11) Sex-neutral basis means the benefit calculation provided to the
8 city of the first class by a licensed domestic or foreign insurance or
9 annuity company with a product available for purchase in Nebraska that
10 utilizes a blended, non-gender-specific rate for actuarial assumptions,
11 mortality assumptions, and annuity conversion rates for a particular
12 participant, except that if a blended, non-gender-specific rate is not
13 available for purchase in Nebraska, the benefit calculation shall be
14 performed using the arithmetic mean of the male-specific actuarial
15 assumptions, mortality assumptions, or annuity conversion rates and the
16 female-specific actuarial assumptions, mortality assumptions, or annuity
17 conversion rates, as applicable, for a particular participant, and the
18 arithmetic mean shall be determined by adding the male-specific actuarial
19 assumptions, mortality assumptions, or annuity conversion rates to the
20 female-specific actuarial assumptions, mortality assumptions, or annuity
21 conversion rates applicable to a particular participant and dividing the
22 sum by two; and

23 (12) Straight life annuity means an ordinary annuity payable for the
24 life of the primary annuitant only, and terminating at his or her death
25 without refund or death benefit of any kind.

26 Sec. 2. Original section 16-1021, Reissue Revised Statutes of
27 Nebraska, is repealed.