

LEGISLATIVE BILL 328

Approved by the Governor May 5, 1977

Introduced by Maxey, 46

AN ACT relating to employment; to authorize deferred compensation plans for public employees as prescribed; and to declare an emergency.
Be it enacted by the people of the State of Nebraska,

Section 1. (1) Any county, municipality, or other political subdivision, instrumentality, or agency of the State of Nebraska except any agency subject to sections 84-1504 to 84-1506 or section 85-106, 85-195, or 85-320, Revised Statutes Supplement, 1976, may enter into an agreement to defer a portion of any employee's or independent contractor's income derived from such county, municipality, or other political subdivision, instrumentality, or agency, to a future period in time. Such deferred compensation plan shall be voluntary, and shall be available to all regular employees and elected officials.

(2) The income to be deferred may never exceed the total compensation to be received by the employee or independent contractor from the employer.

(3) The county, municipality, or other political subdivision, instrumentality, or agency may invest the income to be deferred under an agreement in the following categories of investment or insurance: (a) Life insurance; (b) annuities; (c) mutual funds; (d) bank savings accounts or savings and loan associations; (e) trust companies qualified to act as fiduciaries in this state; or (f) with an organization established for the purpose of administering public employee deferred compensation retirement plans and which have been approved by the United States Internal Revenue Service as nonprofit and tax exempt, licensed to do business in the State of Nebraska.

(4) The deferred compensation program shall exist and serve in addition to, and shall not be a part of, any existing retirement or pension system provided for state, county, municipal, or other political subdivision, instrumentality, or agency employees, or any other benefit program.

(5) Any income deferred under such a deferred compensation plan shall continue to be included as regular compensation for the purpose of computing the

retirement, pension or social security contributions made or benefits earned by any employee.

(6) Any sum so deferred shall not be included in the computation of any federal or state taxes withheld on behalf of any such employee or independent contractor.

(7) The state, county, municipality, or other political subdivision, instrumentality, or agency shall not be responsible for any investment results entered into by the employee or independent contractor in the deferred compensation agreement.

(8) Nothing contained in this section shall in any way limit, restrict, alter, amend, invalidate, or nullify any deferred compensation plan previously instituted by any county, municipality, or other political subdivision, instrumentality, or agency of the State of Nebraska, and any such plan is hereby authorized and approved.

Sec. 2. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.