

LEGISLATIVE BILL 823

Approved by the Governor February 7, 1990

Introduced by Labeledz, 5, Chairperson, Executive Board

AN ACT relating to employees; to amend sections 24-619 and 24-620, Reissue Revised Statutes of Nebraska, 1943; to transfer provisions relating to certain trusts and plans created by employers for the benefit of employees; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 24-619, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

~~24-619-~~ Any trust or plan heretofore or hereafter created for the purposes and of the type enumerated in section ~~24-620~~ 2 of this act, whether in real or personal property; or in both real and personal property, may continue in perpetuity or for such time as may be necessary to accomplish the purposes of the trust or plan. Such trust or plan shall not be invalid as violating any statute; or rule of law against perpetuities, against accumulations of earnings, concerning the suspension of the power of alienation of the title to property, or otherwise limiting the duration of trusts or agreements.

Sec. 2. That section 24-620, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

~~24-620-~~ (1) Trusts or plans which are entitled to the exemption from limitation as to their duration provided for in section ~~24-619~~ must 1 of this act shall be:

~~(1)~~ (a) Created by an employer or employers primarily for the benefit of some or all of the employees of such employer or employers, or the families or appointees of such employees, under any pension, profit-sharing, stock bonus, retirement, disability, death benefit, or other similar ~~types~~ type of employee benefit plan;

~~(2)~~ (b) Contributed to by the employer or employees or both; and

~~(3)~~ (c) Existing for the purpose of distributing the earnings or principal, or earnings and principal, of the trust to or for the benefit of some or

all of such employees, either before or after their employment ceases, or their families or appointees, ~~the earnings or principal, or earnings and principal, of the trust, and~~

~~(4)~~ (2) In addition, in the case of such trusts hereafter created by public corporations, municipal corporations, or political subdivisions of this state, the trustee shall be qualified to act as a trustee and licensed to do business in Nebraska, the management of the affairs of the trust ~~must shall~~ be carried on in this state, and the trust agreement ~~must shall~~ contain provisions for termination of the trust and for substitution of trustees, by unilateral action of the public corporation, municipal corporation, or political subdivision which created the trust. If a qualified trust corporation licensed to do business in Nebraska with capital of not less than five hundred thousand dollars ~~shall apply applies~~ to the employer for appointment as successor trustee on a basis of cost for administering the trust, not in excess of the basis of cost then existing, no public corporation, municipal corporation, or political subdivision of this state shall incur any additional obligation, under existing agreements as to such trusts, which ~~do does~~ not comply with the provisions of this subdivision this subsection. Any trust created which violates the provision of this subdivision this subsection shall be void.

Sec. 3. That original sections 24-619 and 24-620, Reissue Revised Statutes of Nebraska, 1943, are repealed.