

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 640

Introduced by Cornett, 45.

Read first time January 19, 2011

Committee: Business and Labor

A BILL

1 FOR AN ACT relating to cities of the first class; to amend section
2 16-1023, Reissue Revised Statutes of Nebraska; to state
3 findings and intent; to clarify that a city and its
4 firefighters may engage in retirement benefit
5 negotiations; and to repeal the original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 16-1023, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 16-1023 (1) Commencing on January 1, 1984, each city of
4 the first class having a paid fire department shall keep and maintain
5 a Firefighters Retirement System Fund for the purpose of investing
6 payroll deductions and city contributions to the retirement system.
7 The fund shall be maintained separate and apart from all city money
8 and funds. The fund shall be administered exclusively for the
9 purposes of the retirement system and for the benefit of
10 participating firefighters and their beneficiaries and so as to
11 establish the fund as a trust under the law of this state for all
12 purposes of section 401(a) of the Internal Revenue Code. Upon the
13 passage of sections 16-1020 to 16-1038 all of the contributions made
14 by a firefighter under section 35-203.01 as it formerly existed and
15 interest accrued at five percent per annum on such contributions
16 prior to January 1, 1984, shall be transferred to the firefighter's
17 employee account. Regular interest shall begin to accrue on the
18 contributions transferred into the fund. Such funds shall be invested
19 in the manner prescribed in section 16-1036.

20 (2) The city shall establish a medium for funding the
21 retirement system which, with the approval of the retirement
22 committee, may be a pension trust fund, custodial account, group
23 annuity contract, or combination thereof, for the purpose of
24 investing money for the retirement system in the manner prescribed by
25 section 16-1036 and to provide the retirement, death, and disability

1 benefits for firefighters granted by sections 16-1020 to 16-1042. The
2 trustee or custodian of any trust fund shall be a designated funding
3 agent which is qualified to act as a fiduciary or custodian in this
4 state, the city treasurer, an appropriate city officer authorized to
5 administer funds of the city, or a combination thereof.

6 (3) The Legislature finds and declares that:

7 (a) The services performed by Nebraska's firefighters are
8 necessary for the protection of the citizens and property of the
9 State of Nebraska; and

10 (b) In 1983, the Eighty-eighth Legislature adopted LB
11 531. LB 531 modified retirement benefits for firefighters employed by
12 a city of the first class to transition such employees from a defined
13 benefit retirement plan to a defined contribution retirement plan.

14 (4) It is the intent of the Legislature to recognize that
15 while sections 16-1020 to 16-1042 apply to all firefighters of a city
16 of the first class, and such sections set forth the firefighters'
17 retirement benefits, a city of the first class and its firefighters
18 are not prohibited from negotiating a benefit that is more favorable
19 than that required by such sections.

20 (5) Nothing in sections 16-1020 to 16-1042 shall prohibit
21 a city of the first class from engaging in negotiations with its
22 firefighters and entering into an agreement that provides more
23 favorable benefits than the minimum benefits required by such
24 sections.

25 Sec. 2. Original section 16-1023, Reissue Revised

1 Statutes of Nebraska, is repealed.