

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB552

Chairperson: Senator Jeremy Nordquist

Committee: Nebraska Retirement Systems

Date of Hearing: March 05, 2013

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 552 creates a First Class Cities Firefighter Cash Balance Plan for firefighters hired after an unspecified date. Currently all first class city firefighters hired after 1984 are members of defined contribution plans administered by each first class city.

The proposed Cash Balance Plan in LB 552 is structured similar to the County and State Cash Balance Plans which guarantee a minimum 5% interest credit rate. Firefighter and employer/city contribution rates remain the same as the current rates in the firefighter defined contribution plans; firefighters contribute 6.5% of salary and cities contribute 13%. Unlike most other public employees, firefighters do not participate in Social Security.

Under LB 552, firefighters in existing first class city defined contribution plans would have a one-time irrevocable option to transfer their assets into, and become members of, the Firefighter Cash Balance Plan.

The Cash Balance Plan would be administered by the Public Employees Retirement Board, which also administers the Judges, State Patrol, County, State, and School Employees retirement plans. A representative of the first class city firefighters, appointed by the Governor, would be added to the membership of the Public Employees Retirement Board.

Principal Introducer: _____

Senator Jeremy Nordquist