

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB554

Chairperson: Senator Jeremy Nordquist

Committee: Nebraska Retirement Systems

Date of Hearing: February 06, 2013

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

The changes in LB 554 are structured to address long-term funding obligations in the Class V (Omaha) School Employees Retirement System.

LB 554 creates a new tier of reduced benefits for employees who begin work for the first time on or after September 1, 2013. The new tier of benefits does not apply to employees who are members prior to September 1, 2013.

The change in benefits for new employees on or after September 1, 2013 include a reduction from 1.5% to 1% in the cost-of-living adjustment (COLA). The new tier also increases from 3 to 5, the number of years used to determine final average salary for purposes of calculating the member's retirement benefit.

The state contribution rate is increased from 1% to 2% of compensation with no sunset. Beginning September 1, 2013, the employee contribution rate is changed to an unspecified rate.

The 2017 sunset is stricken in sections 79-1003 and 79-1028.01 on the school budget and lid exclusions for the employer contribution expenditures pursuant to the School Employees and Class V School Employees Retirement Acts.

Principal Introducer: _____

Senator Jeremy Nordquist