

March 3, 1982

LB 609

CLERK: Mr. President, LB 609 offered by Senator Marsh. (Read.) The bill was read on January 6 of this year. It was referred to the Retirement Committee for hearing. The bill was advanced to General File, Mr. President. There are Retirement Committee amendments pending.

SENATOR CLARK: Senator Fowler.

SENATOR FOWLER: Mr. President, I would move for adoption of the amendments. The amendments are essentially corrective with regards to placement of the new language, in order to make it clear as to when it is effective. In the original bill it was drafted and placed in the wrong place. In order to carry out the intent of the bill which is change the factor used in the annuity formula from one and a quarter to one and a half, this amendment needs to be adopted to put it in the right place in the bill. So it is really just kind of rearranging the language with regards to LB 609.

SENATOR CLARK: Any further discussion on the committee amendments? If not all those in favor vote aye, opposed vote nay. Have you all voted on the committee amendments?

CLERK: Senator Clark voting yes.

SENATOR CLARK: Record the vote.

CLERK: 27 ayes, 0 nays, Mr. President, on adoption of committee amendments.

SENATOR CLARK: The committee amendments are adopted. Now on the bill, Senator Marsh.

SENATOR MARSH: Thank you, Mr. Chairman. LB 609 would change the contribution formula used to compute the benefits paid through the school employees retirement system. This change would bring the school employees systems into closer compliance with Principle 13 of the General Principles of Sound Retirement Planning developed by the Nebraska Retirement Systems committee. This principle states and I quote, "Contributions should be designed so that a new employee entering at age 35 or under will pay no more than 50% of the cost of the benefits." This year the district pays 45% of the teacher payroll. Under this bill local school districts would pay approximately one-half of the benefits cost. I move for the advancement of LB 609 from General File to E & R initial.

SENATOR CLARK: Is there any discussion on the advancement of LB 609? All those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.