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will also simplify administration. In the school plan, future unfunded actuarial accrued liability, if any, will be paid on a 25-year amortized basis by the state, unless future actuarial gains eliminate the need for such amortized payments. In the school plan, beginning in 2011, the state will meet its now existing funding obligation for the annual accrued normal cost of the service annuity by means of a yearly appropriation. In all three plans the actuarial valuation method is changed, with future valuations being made using the entry age actuarial cost method. This new method provides a more level funding pattern over time. Essentially, LB 686 provides a long-term level funding pattern in relation to the benefit accrual, simplifies the structure of our defined benefit plans and makes the plans consistent, and enables us to project actuarial valuation results over a 20-year period so we have a more accurate picture of who's retired, who's active, and who's entering the systems. And it improves intergenerational equity. Second bill, LB 1019, was introduced by the Retirement Committee this session; addresses several technical changes to the Nebraska Investment Council. Three of them I'll list here: Changes the method of allocating expenditures to avoid over allocation; two, strikes the word "domestic" making the composition of premix funds for employer/employee plans consistent; and third, makes the NIC members fiduciaries for all of the funds they manage, not just the retirement funds. Committee amended LB 1019 as well, by inserting a separate section that sets forth the fiduciary standard for nonretirement funds in order to not violate the exclusive benefit rule. Committee amendment also provides that the allocation of charges may be made by any method determined to be reasonably related to actual costs incurred by the Investment Council. Third bill included herein is LB 1027, Senator Wickersham's bill, which I'm sure he'll want to discuss in more detail. I'll briefly say the definition of "termination" in the school system is changed to specifically set forth that the employee must experience a bona fide separation from employment. This was the issue regarding superintendents that some of you may have been aware of. This section further states that termination from employment may not have occurred if the member provides regular service to its employer, or if PERB determines that a bona fide termination did not occur. The fourth bill, LB 1111, is NPERS' 2202 clean-up