



Ninety-Ninth Legislature - First Session - 2005
Introducer's Statement of Intent
LB 215

Chairperson: Elaine Stuhr
Committee: Nebraska Retirement Systems
Date of Hearing: March 11, 2005

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

LB 215 would allow a state agency, from July 1, 2005 to June 30, 2007, to contribute to an employee's deferred compensation account, providing that:

- The employee agrees to terminate their employment after the contribution is made.
- The contribution does not exceed 20% of the employee's annual compensation on the date of the contribution.
- The employee is at least 53 years old.
- The agency can establish that a personal services savings of at least 20% of the employee's annual compensation during the fiscal year following the contribution will be realized and the agency director has the approval of the Director of Administrative Services.

LB 215 also provides that as a part of the Nebraska State Insurance Plan, the Department of Administrative Services shall offer health insurance to any state employee who terminates employment and receives a deferred compensation contribution under this bill. The employee would be responsible for 50% of the total cost of the coverage and the right to obtain insurance under this legislation would terminate when the person reaches 65 years of age.

An employee who terminates and receives a contribution under LB 215 may not enter into an agreement with the state for personal services for 10 years after terminating employment.

Principal Introducer: _____
Senator Pam Brown