

**ONE HUNDRED SECOND LEGISLATURE - FIRST SESSION - 2011**  
**COMMITTEE STATEMENT**  
**LB382**

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**Hearing Date:** Tuesday February 01, 2011  
**Committee On:** Nebraska Retirement Systems  
**Introducer:** Nordquist  
**One Liner:** Change deposit and contribution rates for certain retirement systems

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 6 Senators Heidemann, Karpisek, Louden, Mello, Nordquist, Pankonin  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Proponents:**  
Senator Jeremy Nordquist  
Gerry Oligmueller  
Karen Kilgarin

**Representing:**  
Introducer  
Nebraska State Budget Administrator  
Nebraska State Education Association

**Opponents:**

**Representing:**

**Neutral:**  
Korby Gilbertson  
John Bonaiuto  
Jason Hayes

**Representing:**  
State Troopers Association  
Nebraska Association of School Boards  
Nebraska Public Employees Retirement Systems

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**Summary of purpose and/or changes:**

LB 382 increases the contribution rate 1%, from 8.28% to 9.28% in FY 2011-12 and FY 2012-13 for members of the School Employees Retirement System. In FY 2013-14 the member contribution rate returns to 8.28%.

The contribution rates for members of the Nebraska State Patrol Retirement System and the state/employer increase 3%, from 16% to 19% in FY 2011-12 and FY 2012-13. In FY 2013-14 the rates for both the patrol members and the state/employer return to 16%.

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**Explanation of amendments:**

Committee AM 1101 strikes the original sections and becomes the bill.

Beginning September 1, 2011, the member contribution rate in the School Employees Retirement Act increases .6% to 8.88%. Beginning September 1, 2012 the rate increases.9% to 9.78% and remains in effect through August 31, 2017 when the contribution rate sunsets to 7.28%.

In the School Employees Retirement Act and the Class V (Omaha) School Employees Retirement Act the 1% state contribution rate, which is currently scheduled to sunset in FY 2013-14, is extended to FY 2016-17. Beginning July 1, 2017 the state contribution rate returns to .7%.

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State funding for the purchasing power cost-of-living allowance for the Class V (Omaha) School Employees Retirement Act sunsets in FY 2013-14.

The contribution rates for members of the Nebraska State Patrol Retirement System and the state/employer increase 3%, from 16% to 19% in FY 2011-12 and FY 2012-13. In FY 2013-14 the rate for both the patrol members and the state/employer returns to 16%.

LB 510 is also incorporated into the amendment. The contribution rate for members of the Class V (Omaha) School Employees Retirement Act increases 1% to 9.3% beginning September 1, 2011.

#### Section-by-Section Summary of Committee AM 1101

Section 1: Beginning September 1, 2011, the member contribution rate in the School Employees Retirement Act increases .6% to 8.88%. Beginning September 1, 2012 the member contribution rate increases .9% to 9.78%. September 1, 2017 the member contribution rate returns to 7.28%. [amends 79-958]

Section 2: The state contribution of 1% of total salary compensation for the Schools Employees Retirement System and Class V (Omaha) School Employees Retirement System is extended from July 1, 2014 to July 1, 2017 when it returns to .7%. [amends 79-966]

Section 3: The state-funding for the Class V (Omaha) School Employees Retirement System purchasing power cost-of-living allowance sunsets in FY 2013-14. Currently there is no sunset. [amends 79-988.01]

Section 4: Beginning September 1, 2011, the contribution rate for Class V (Omaha) School Employees Retirement System members increases 1% to 9.3%. [amends 79-9,113]

Section 5: In the Nebraska State Patrol Retirement Act, beginning July 1, 2011, the patrol and state/employer contribution rates increase from 16% to 19%. The member and state/employer contribution rate increases sunset to 16% on July 1, 2013. [amends 81-2017]

Section 6: Repealer.

Section 7: Emergency clause.

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Jeremy Nordquist, Chairperson