

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB486

Chairperson: Senator Jeremy Nordquist

Committee: Nebraska Retirement Systems

Date of Hearing: February 08, 2011

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

Effective July 1, 2012, LB 486 increases the 7% annual salary cap to 9% and eliminates the current exemptions for purposes of calculating benefits on annual compensation during each of the last five years of employment prior to actual retirement. Current exemptions include:

- a. members who experience a substantial change in employment position (job or duty change);
- b. excess compensation as the result of a collective bargaining agreement between the employer and a recognized collective bargaining unit or category of school employee;
- c. excess compensation as the result of a district wide permanent benefit change made by the employer for a category of school employee.

LB 486 also clarifies that contributions must be made on the full amount of compensation received and the Public Employees Retirement Board will not refund contributions on compensation above the 9% cap.

Principal Introducer: _____

Senator LeRoy Loudon