

Legislature - First Session - 2019

Introducer's Statement of Intent

LB32

Chairperson: Senator Mark Kolterman

Committee: Nebraska Retirement Systems

Date of Hearing: January 29, 2019

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

LB 32 was introduced at the request of the Nebraska Investment Council (NIC). As part of the Council's ongoing review of investments, the Council staff has worked with its investment consultant to incorporate best practices in the construction of the investment options in the Defined Contribution and Deferred Compensation Plans. As a result, the NIC is recommending making the following changes to the investment options:

- Replace the age-based, premixed (balanced) and investor select option with Target Date Funds
- Remove the money market investment option
- Remove the S&P Index Fund

Investment options will continue to also include:

- An investor select account invested under the direction of the State Investment Officer with an asset allocation and investment strategy substantially similar to the investment allocations made by the State Investment Officer for the Defined Benefit plans
- A stable return account that provides capital preservation and consistent steady returns
- An equities account
- A fixed income account in fixed income instruments

The investment options are listed in the County and State Employees Retirement Acts for Defined Contribution members, however, the investment option changes will also apply to members with Deferred Compensation accounts and State Patrol officers who have entered the Deferred Retirement Option Plan (DROP).

Principal Introducer: _____

Senator Mark Kolterman