

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Nebraska Retirement Systems Committee February 5, 2020

**KOLTERMAN:** My name is Mark Kolterman. I'm from Seward. I represent the 24th Legislative District. I serve as Chair of the committee. Committee will take up this bill LB1054. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. I think we still have one more committee member coming. In order to facilitate today's proceedings, I ask you to abide by the following procedures. Please silence or turn off your cell phones. Move to the front row when you are ready to testify. Order of testimony, we are going to have the introducer, myself, proponents, opponents, and then neutral, closing. You need to sign in, hand your blue sheet to the committee clerk or-- or to the page. Spell your name for the record. Be concise and we are gonna limit to five minutes. If you-- if you won't be testifying at the microphone but want to go on the record, you can fill out a sheet of paper and turn that in. If you have written materials, we need ten copies. To my immediate left is Kate Allen, my legal counsel, and to my far right is Katie Quintero, the committee clerk. The members with us today, starting on my far right, are:

**BOLZ:** Senator Kate Bolz, District 29.

**KOLOWSKI:** Senator Rick Kolowski, District 31.

**LINDSTROM:** Brett Lindstrom, District 18, northwest Omaha.

**KOLTERMAN:** Senator Stinner's excused and Senator Groene said he'd be here. Our page today is John. He's from Connecticut. He's a student at UNL and he's majoring in political science. So with that, I'm going to open on LB1054 and let Senator Lindstrom, my Vice Chair, take over.

**LINDSTROM:** Welcome, Senator Kolterman.

**KOLTERMAN:** Thank you, Senator Lindstrom. Good afternoon. My-- my name is Mark Kolterman, M-a-r-k K-o-l-t-e-r-m-a-n. I represent the District 24 and I'm here to introduce LB1054 at the request of the Nebraska Public Employees Retirement System. LB1054 updates state administered retirement statutes to comply with new provisions under the SECURE Act, which was passed by Congress and signed into law December 20, 2019, as part of the federal government spending bill. Under the federal changes, the age trigger for the required minimum distributions known as RMDs increases from age 70 and a half to 72 for individuals who reach 70 and a half on or after January 1, 2020. The

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RMD determines when the deferral ceases for the distributions of payments of pension benefits. Prior to passage of the SECURE Act, the initial RMD was for the year an individual turns 70 and a half. This requirement is still applicable to distributions made after December 31, 2019, for individuals who reach 70 and half on or before December 31, 2019. The stated congressional rationale for delaying the RMD requirement is recognition that individuals are working longer and are also living longer. Delaying the age at which the distribution must be taken delays the age at which taxpayers must pay taxes on the pension distributions. A representative from NPERS is here to testify in support of the bill and will be able to respond to any technical questions you might have about the new RMD provisions. I'd be glad to answer any questions I am capable of answering. With that, that's [INAUDIBLE]. Thank you.

**LINDSTROM:** Thank you, Chairman Kolterman. Any questions from the committee? Seeing none, thank you. And now we'll have proponents.

**ORRON HILL:** Good afternoon, Chairman Kolterman, Vice Chairman Lindstrom, and members of the Legislative Retirement Systems Committee. My name is Orron Hill, spelled O-r-r-o-n H-i-l-l. I'm the legal counsel for the Nebraska Public Employees Retirement Board of the Nebraska Public Employees Retirement Systems. I'm here at the direction of the PERB to testify in support of LB1054. Senator Kolterman gave a great introduction to the bill as to what its intent is and why we're offering it, so I won't read my prepared comments for you. I'll just give those to you in written form. But I'm here to answer any questions regarding LB1054 you might have as the agency that introduced the bill and asked that it be done, so--

**LINDSTROM:** Thank you. Thank you, Mr. Hill. Any questions from the committee? Seeing none, thank you for being here. Next proponent. Seeing none, we'll now move to opponents. Seeing none, any neutral testifiers? Also seeing none, we do have a letter in support from NACO. And we would Senator Kolterman-- Senator Kolterman waives clo-- waives closing. And that will end the hearing on LB1054.