

**FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE**

Revised to reflect the adoption of AM2736

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	15,000	0	0	15,000
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

AM2736 amends §84-1307 so that all temporary employees who were prior contributing members of the retirement system & are returning to service with the state prior to having a one-hundred-twenty-day break in service, will begin participation in the retirement system within the first thirty days of employment as a temporary employee.

AM2425 adds LB1102, LB1103, & LB1166 to the provisions of LB820:

LB1102 amends several sections to:

- redefine retirement date;
- provide requirements for monthly payments of retirement allowances for Class V School Employees Retirement Act; and
- change when certain cost-of-living adjustments occur for Class V School Employees Retirement Act.

Retirement date means:

- the first day of the month following the date upon which a member's request for retirement is received on a retirement application if the member is eligible for retirement & has terminated employment; and
- the first day of the month following termination of employment if the member is eligible for retirement & has filed an application but has not yet terminated employment.

For any retirement allowance of a member under the Class V School Employees Retirement Act:

- monthly payments become effective on the first day of a calendar month & will be paid to the member on the last business day of that month;
- the first payment will include all amounts of money that have accrued since the effective date of the award of the annuity; and
- the last payment will be paid:
  - on the last business day of the calendar month in which the member dies; and
  - in accordance with the payment option chosen by the member.

Starting with September 1, 2026, the cost-of-living adjustment for within the Class V School Employees Retirement Act will occur on September 1 of each year thereafter.

LB1103 amends §81-2025 & §81-2041 to raise the mandatory retirement age for Nebraska State Troopers from sixty to sixty-five years of age & will now allow all Troopers to participate in their Deferred Retirement Option Plan (DROP) no matter what their start date is.

LB1166 amends §79-958 to change the applicability of the employee contribution rate within the School Employees Retirement Act.

Contribution rates are amended as follows:

- the rate that is calculated as of July 1, 2025, will apply beginning July 1, 2025, & prior to July 1, 2026;
- the rate that is calculated as of July 1, 2026, will apply beginning July 1, 2026, & prior to September 1, 2027;
- beginning in 2027 & each year thereafter, the rate that is calculated as of July 1 of that year will apply beginning September 1 of that year & prior to September 1 of the next year after that year.

LB820 amends several sections to:

- define approved identification documents;
- change provisions relating to participation in certain retirement systems by certain state agencies & political subdivisions;
- change the title from "Director" to "Executive Director" of the Nebraska Public Employees Retirement Systems (NPERS);
- rename certain state transfers as state contributions;
- change provisions relating to the ex officio members of the Nebraska Investment Council;

- change provisions for certain contributions by school districts;
- change the computation of certain tax withholdings relating to deferred compensation;
- eliminate obsolete provisions under the Class V School Employees Retirement Act & the Class V School Employees Retirement Fund; and
- eliminate obsolete provisions.

The bill contains the emergency clause.

**FISCAL IMPACT:**

The Nebraska Public Employees Retirement Systems (NPERS) had actuarial studies completed to determine what the requirements of LB1102 & LB1103 would have on them as an agency. Those reports showed no General Fund impact. The cost of the actuarial studies is \$15,000.

Please complete ALL (5) blanks in the first three lines.

**2026**

**LB<sup>(1)</sup> 820 AM 2425**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS) – State Personnel

Prepared by: <sup>(3)</sup> Sean Davis Date Prepared: <sup>(4)</sup> 3/10/26 Phone: <sup>(5)</sup> 402-499-1072

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Explanation of Estimate:

LB 820 AM 2425 proposes to define approved identification documents and to change provisions relating to participation in certain retirement systems. An employing state agency would be required to maintain at least one approved identification document and produce such approved documents upon request of the Public Employee Retirement Board of the Nebraska Public Employees Retirement Systems.

Any changes would be able to be made with existing resources.

LB 820 AM 2425 has no fiscal impact.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

Please complete ALL (5) blanks in the first three lines.

**2026**

**LB<sup>(1)</sup> 820 AM 2425**

**FISCAL NOTE**

State Agency OR Political Subdivision  
Name: <sup>(2)</sup>

Nebraska Department of Education

Prepared by: <sup>(3)</sup> Bryce Wilson

Date Prepared: 3/9/26  
<sup>(4)</sup>

Phone: <sup>(5)</sup> 402-471-4320

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

Explanation of Estimate:

No fiscal impact.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27 EXPENDITURES</u>	<u>2027-28 EXPENDITURES</u>
	<u>26-27</u>	<u>27-28</u>		
Benefits.....	_____	_____	_____	_____
...				
Operating.....	_____	_____	_____	_____
....				
Travel.....	_____	_____	_____	_____
.				
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
.				
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2026

LB<sup>(1)</sup> 820 AM 2425

FISCAL NOTE

State Agency OR Political Subdivision  
Name: <sup>(2)</sup>

Nebraska Public Employees Retirement Systems (NPERS)

Prepared by: <sup>(3)</sup> Teresa Zulauf

Date Prepared: <sup>(4)</sup> March 9, 2026

Phone: <sup>(5)</sup> 402-471-7745

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$15,000		0	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$15,000		0	

Explanation of Estimate:

LB 820: Changes retirement provisions relating to approved identification documents, participation in certain retirement systems, state contributions, ex officio members of the Nebraska Investment Council, contributions by school districts, and computation of tax withholdings, and change the title of executive director of Nebraska Public Employees Retirement Systems.

AM 2425 incorporates LB 1102, LB 1103 and LB 1166 with LB 820.

**LB 1102:** Provides requirements for monthly payments of retirement allowances and change when certain COLA occurs under the Class V School Employees Act.

NPERS inquired with the actuaries as to what effect the financial impact would have from LB 1102. According to the cost study, there would not be any effect on the State General Fund.

The actuary charge will be approximately \$7,500. NPERS is requesting spending authority of \$7,500 to make payment from the OSERS expense fund.

**LB 1103:** Change the mandatory retirement age and provisions relating to deferred retirement option plan under the Patrol act.

Please see the attached report from the Actuary. It appears that there are no additional funds needed if the retirement age is changed.

NPERS inquired with the Actuaries as to what the effect would be to the State General Fund. The actuary charge will be approximately \$7,500.

**LB 1166:** Change the applicability of the employee contribution rate under the School Employees Retirement Act. (Changes the date as to when the new contribution rate will apply.)

The actuaries provided two cost studies with an approximate cost of \$15,000. The cost studies revealed that there would not be any additional cost to the State General Fund.

---

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b>POSITION TITLE</b>	<b>NUMBER OF POSITIONS</b>		<b>2026-27</b>	<b>2027-28</b>
	<b><u>26-27</u></b>	<b><u>27-28</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
.....	.....	.....	.....	.....
<b>Benefits</b> .....	.....	.....	.....	.....
...	.....	.....	.....	.....
<b>Operating</b> .....	.....	.....	.....	.....
....	.....	.....	.....	.....
<b>Travel</b> .....	.....	.....	.....	.....
.	.....	.....	.....	.....
<b>Capital outlay</b> .....	.....	.....	.....	.....
<b>Aid</b> .....	.....	.....	.....	.....
.	.....	.....	.....	.....
<b>Capital improvements</b> .....	.....	.....	.....	.....
<b>TOTAL</b> .....	.....	.....	.....	.....

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 820                      AM: 2425                      AGENCY/POLT. SUB: Department of Administrative Services (DAS)

REVIEWED BY: Ryan Walton                      DATE: 3/13/2026                      PHONE: (402) 471-4174

COMMENTS: DAS' assessment of no fiscal impact from LB 820, as amended by AM 2425, appears reasonable.