

One Hundred Ninth Legislature - First Session - 2025

Introducer's Statement of Intent

LB645

Chairperson: Senator Beau Ballard

Committee: Nebraska Retirement Systems

Date of Hearing: March 14, 2025

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

LB 645 provides for a gradual reduction in state contributions to the School Retirement Fund, contingent on the actuarially funded ratio of the Fund. The currently required state contribution to the Fund is an amount equal to 2% of the compensation of all members of the retirement system.

Under the bill, for each fiscal year beginning July 1, 2025, the state contribution to the School Retirement Fund would be:

- If the actuarially funded ratio is less than 92%, an amount equal to 2% of the compensation of all members of the retirement system;
- If the actuarially funded ratio is 92% or greater and less than 94%, an amount equal to 1.6% of the compensation of all members of the retirement system;
- If the actuarially funded ratio is 94% or greater and less than 96%, an amount equal to 1.2% of the compensation of all members of the retirement system;
- If the actuarially funded ratio is 96% or greater and less than 98%, an amount equal to 0.8% of the compensation of all members of the retirement system;
- If the actuarially funded ratio is 98% or greater and less than 100%, an amount equal to 0.4% of the compensation of all members of the retirement system; and
- If the actuarially funded ratio is 100% or greater, the state shall not be required to make a contribution.

Under LB 645, should the actuarially funded ratio decrease, the state contribution would automatically be increased accordingly in the following fiscal year.

Principal Introducer: _____

Senator Beau Ballard