

February 1, 1982

LB 387

you going to call, the League, or are you going to call your local firemen and policemen? Thank you.

PRESIDENT: The Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, I rise in opposition to Senator Peterson's motion to return this bill to the Retirement Committee for further deliberation and consideration. I do so for several reasons but first I have to comment about the bill itself. Without any question the bill is an extremely just and fair bill. It simply provides a slight rate of interest on persons who leave a police and fire force early and receive their contributions back. And apparently according to the material I have on my desk, no one has testified in opposition to the fairness of that feature. Secondly, what it does, it is doing what the federal government, frankly, is requiring of all our retirement accounts, is providing a vesting period and a vesting period is very simple. A vesting period means when you have crossed this point in time, your rights to ultimately receive that retirement pension are guaranteed. Now the federal program that requires this to be done is the ERISA program, and I can't tell you what that ERISA stands for, probably Employee Retirement and who knows, all kinds of security accounts, but vesting is essentially a requirement of certain pension and profit sharing plans. But, obviously, public employees are not fully covered because we in the Legislature have to go back not under any federal mandate but just under what is good common sense and what is fair, right and practical to put a vesting provision in our firefighters' and our policemen's retirement programs, and that is all 387 does. It is a simple bill. It is a fair bill. Now the thing that is so interesting about this is that the actuaries for the Retirement Committee say look, 387 frankly is not going to cost the municipalities very much money. It is really a cheap bill. But the municipalities, the first class cities, come out on this bill crying, bloody murder, and the reason why they do so is because the bill continues to point out what they have been doing wrong for the last decade. What they have been doing wrong for the last decade is they have not been funding their responsibilities under their retirement programs adequately. You know, the City of Omaha was sued by its police officers I think six years ago in connection with the city's unfunded liability for its retirement programs, and that case was ultimately settled with an agreement between the police officers in the City of Omaha for the city to commit \$40 million new dollars to the police pension fund just to begin to get rid of the