

January 15, 1992 LB 682

PRESIDENT MOUL: Thank you, Senator Nelson. Does anyone wish to speak to the committee amendments? Seeing none, we will now vote on the committee amendments. All those in favor please vote aye, opposed nay. Have you all voted? Please record, Mr. Clerk.

CLERK: 26 ayes, 0 nays, Madam President, on adoption of the committee amendments.

PRESIDENT MOUL: Committee amendments are adopted. I'll recognize Senator Schmit for opening.

SENATOR SCHMIT: Madam Chairperson and members of the Legislature, LB 682 is a bill which will change the judges' retirement program and it will do several things which I think I need to explain and which I think that most of you already, of course, are well aware. But it would increase the retirement benefits from the 3 1/3 to a 3 1/2 times the years of service times the final average salary. For example, if you were to work in the judicial system for 10 years, you would then be eligible for 35 percent of your average annual salary upon retirement and then it would also increase the maximum benefits from 60 percent to 70 percent of the final average salaries and it would increase the maximum number of years that an active member contributes to the system from 18 years to 20 years and retirement benefits on average salary are currently based on the last four years of service. Under LB 682, the benefits would be based on the last three years of service, based upon your annual salary the last three years. For those of you who may not know that judges contribute 6 percent of their salary to this retirement fund plus there is a \$1.00 contribution from the court costs. It is also true that at the present time there is about a \$5.6 million surplus according to the actuaries in the judges retirement fund and I want to point out also that the state makes no contribution at this time to the fund and the fund is about 116 percent they say oversubscribed. There will be no cost to the state because of this, these changes in the bill. It does, of course, make some increases in their retirement, makes it more attractive to individuals to serve. I think it's important to recall that over the years we have made some substantial improvements in judges salaries and I think it has aided and assisted the judicial system in obtaining more competent judges. I think we have found a better judiciary than we had in the past. I hope we will continue to see that