

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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employees retirement plan. All of the enhanced benefits that are in 674 are paid for. They are already paid for. And we would not be required to adjust the contribution rate for either the state or the school employees or the school districts as the result of these changes. On the other hand, we are able to make what I think are significant and beneficial changes in the school employees retirement plan. And whenever we are able to adjust and to provide additional benefits in the plan, I'm certainly willing to bring those forward to you and to suggest to you that we adopt them. With that, Mr. President, I think I'll end the opening. I know that there are committee amendments that Senator Stuhr will wish to present.

SENATOR COORDSEN: Thank you, Senator Wickersham. Mr. Clerk, committee amendments. Retirement Committee, Senator Stuhr, please to open on the committee amendments.

SENATOR STUHR: Thank you, Mr. President and members of the Legislature. The provisions of LB 674, as originally introduced, as Senator Wickersham indicated, enhance the Schools Employment...Employees Retirement Act. And that did that by increasing the formula annuity factor and providing for 75 percent purchasing power and the annual COLA of 2 percent or CPI, whichever is less. The amendment, that can be found in your bill books, and I believe there are like 34...33 or 34 pages, but if you'll look in Sections 3, 4, 5 and 6, those do relate to the School Employees Retirement Act. They increase the formula annuity factor from 1.8 to 1.9 percent, and also change the date affecting those who have acquired one-half year of service or more, and that date change is July 1st, 1998, instead of July 1st, 1999. However, it will not apply to those members who retired before that effective date. It also clarifies the use of the national CPI and adds successor language so that if the current CPI would be discontinued, the board could use the replacement, and this technical change is very similar to what we did under 7...LB 703. Just a note, the school employees retirement system currently requires contributions of 7.25 percent from employees and 7.32 percent from school districts, and 0.7 of 1 percent total compensation of members from the state. Again, there will be no state funds required at this point, and in your packet of information also it did give you some information on the actuary study that was