

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

May 6, 2003

LB 320

2001-2002. And you will see that on your handout. However, this is no longer the case, as I just mentioned. Thus, our solution must be more than to cover the loss recognized this year. Long-term changes to contributions are necessary. Because the committee amendment strikes the provisions of the original bill, I will close on the opening of the committee bill. Thank you.

SENATOR SCHIMEK: Thank you, Senator Stuhr. Mr. Clerk, there are committee amendments.

ASSISTANT CLERK: Madam President, the Retirement Committee would offer AM0805.

SENATOR SCHIMEK: Senator Stuhr, to open on the committee amendments.

SENATOR STUHR: Thank you, Madam President and members of the body. I will briefly go over with you what the committee amendment proposes. And you will be receiving a blue sheet, and you will be able to follow along, which is AM0805. The committee amendment increases the court filing fee from the current \$1 to \$4, an increase of \$3. It also includes the member contribution increase from the original bill, but phases the increase in over two years. Although LB 320 originally only proposed a \$1 court fee...and we introduced the bill to at least have a starting point...the committee looked to the cost benefits that are provided, about 19 percent of compensation, and compared it to the other defined benefit plans. The current \$1 raises about 3 percent of compensation. Raising the court fee by \$3, to the \$4, would be just over 12 percent of the compensation. A \$1 increase simply will not account for the fiscal needs of the plan. AM0805 thus proposes to raise the court fee to \$4, generating about \$1.3 million per year. Member contribution increase, I'll go over that briefly, just what we had proposed. The current member contribution equals just slightly over 4.5 percent of compensation. The new rate, when phased in, would equal just under 7 percent. Together, with the court fee increase, total contributions would equal the benefit accrual cost. I'm also handing out a sheet, and it will be the yellow sheet, summarizing the contributions in the three defined