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LB 320, 760

of the fund, given that we cannot expect the fund's investments to pay for the retirement plan as they did during the rare period of what I've called the roaring nineties. The amendment also provides two benefit enhancements to the retirement plan, and increases the judges' contribution levels to pay for those enhancements. Beginning July 1, 2003, the judges' contribution rates are increased. For judges who have not achieved the maximum retirement benefit, the contribution would be increased to 8 percent of their compensation, up from the present 6 percent. And for judges who have achieved the maximum benefit, they have served more than 20 years, the contribution would equal 4 percent of compensation. Currently, they do not contribute. The increase in the judges' contribution rates will generate \$400,000 per year for the fund, using my round numbers, so that it is \$2 million each and every year that is increased in revenue to the fund. With respect to the benefit enhancements, we're providing that effective July 1, 2003, there's an early retirement benefit that would allow judges to retire at age 62 and receive a 3 percent per year reduction in his or benefits for each year the member retires prior to age 65. That change is approximately \$90,000 a year, so it is in fact more than covered by the contributions of the judges. The amendment also provides for an enhanced benefit for surviving spouses of retired judges, which would begin July 1, 2005. Specifically, when a judge dies after retirement, at present his or her spouse would receive 50 percent of the judge's retirement monthly benefit. That's under the benefit. If the judge was more than five years older, then the amount would be actuarially reduced. The enhancement will cost approximately \$770,000, but the immediate increase in the judges' rate of contribution will generate funding to generate more than that as it accumulates, and does not become effective until 2005. The amendment before you is identical to the portion of a committee amendment to LB 760, which was referenced to the Judiciary Committee, heard by the Judiciary Committee, worked on by the Judiciary Committee, and unanimously advanced by the Judiciary Committee. The benefit enhancements are very similar to those proposed by Senator Stuhr. There has been a great deal of work between the Retirement Committee and the Judiciary Committee. And again, I want to express my appreciation to Senator Stuhr for being able to work through