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FLOOR DEBATE

May 4, 2005

LB 364

CLERK: LB 364, introduced by the Retirement Systems Committee. (Read title.) Introduced on January 11 of this year, referred to Retirement Systems, advanced to General File. I do have committee amendments, Mr. President. (AM1210, Legislative Journal page 1207.)

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Stuhr, Chairman of Retirement Committee, you're recognized to open on LB 364.

SENATOR STUHR: Thank you, Mr. President and members of the body. LB 364 is a comprehensive technical bill that would make changes to the Class V School Employees Retirement Act. These changes would extend only to those school employees covered within the Class V School Employees Retirement Act, which includes Omaha Public Schools employees. These proposed changes were brought to the Retirement Committee by the board of trustees for the Omaha School employees retirement system. And LB 364, briefly, proposes the following technical changes. A thousand hours of work would be defined as a year of service. This provision would require the member to complete 1,000 hours of service in order to receive credit for a full year of service. Currently, membership service has not been defined and has varied depending on the member's contract. This change would define a year of service as a fiscal period in which the member completes 1,000 hours. According to the committee actuary, the use of 1,000 hours is the standard for retirement plans, and is typically used to define credit for earning a year of service. Also, fractional years would be measured in tenths. Currently, fractional years of service have been measured in half-years. This change would measure fractional portions of a year in tenths, with one-tenth earned for each 100 hours. According to the committee actuary, practices vary for fractional years. But this approach is often utilized. Next, the method for purchasing prior years of service would be changed in order to replace the existing procedures for purchasing prior service credits. As proposed, the years of purchased service from outside school districts could not exceed the member service in the Omaha Public Schools. Any service within another school district that has been reflected in the