

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

May 18, 2005

LB 478

attractive for those people to stay once they fully retire and are out of the marketplace because we don't give breaks to those retirees. It is not that we want to get in the business of giving something to everybody in this bracket, but it is the case that we want to establish the labor pool for defense contractors. Why? Because there's a synergy with Offutt, because it feeds back to Offutt as a place to stay open, and because the defense contractors are incredibly mobile as a group because most of them are doing work in the software area. It makes them as mobile as drainage water. They will go to the place of lowest resistance, and those places are not Nebraska, now, if we don't make some adjustment to try to get our high-wage, retired, working military retirees into these defense contractor jobs. The committee amendment says this. It strikes the percentage exclusions. It provides the military pension is exempt in one circumstance. It's exempt only to the extent the recipient has earned income...which means they're working. We're not paying people to be retired; we're paying people to work while they could otherwise be retired. But these are people who want to go back to work. Has earned income from a security qualified defense contractor. Not in every job, but in a particular kind of field that is very, very susceptible to the marketplace, to the labor pool, to working conditions, and to the mobility of all the elements that go into economic development. So it's for somebody who's working in this field and making in excess of \$40,000. Why? Because \$40,000 is an entry level for these kinds of positions. What we want to reward are people who are paying above that. And what we say is, for the money above \$40,000 annually, the bill would exempt \$1 of the pension income for every \$2 of such wage earned in excess of \$40,000. It's paradoxical. We're going to be paying...we're going to exempt pension from a high-wage employee, but the goal for this is to establish a labor pool for a very attractive style of business that we want to fit in the Omaha area, to surround Offutt, to ensure the existence of Offutt, because of the synergy of the defense contractors to the base itself, to take software companies which can locate anywhere very easily and give them the labor pool that they need. Understand there are a number of states, and Texas among them, who either have no income tax or they have total pensions for military personnel, and when that happens, those are very