



**Hundredth Legislature - First Session - 2007  
Committee Statement  
LB 303**

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**Hearing Date:** February 14, 2007  
**Committee On:** Nebraska Retirement Systems

**Introducer(s):** (Synowiecki)

**Title:** Adopt a deferred retirement option plan (DROP) retirement program for the Nebraska State Patrol

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**Roll Call Vote – Final Committee Action:**

- Advanced to General File
  - X Advanced to General File with Amendments
  - Indefinitely Postponed
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**Vote Results:**

6	Yes	Senators Erdman, Heidemann, Karpisek, Loudon, Synowiecki, White
	No	
	Present, not voting	
	Absent	

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**Proponents:**

Senator John Synowiecki  
Korby Gilbertson  
Koren Holden  
John Cripe  
Jessica Schnell  
Bryan Tuma

**Representing:**

Introducer  
State Troopers Association of Nebraska  
State Troopers Association of Nebraska  
Nebraska Public Employees Retirement Systems  
self  
State Troopers Association of Nebraska  
Nebraska State Patrol

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**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 303 establishes a Deferred Retirement Option Plan (DROP) for members of the Nebraska State Patrol Retirement System. Members who qualify may elect to DROP and have their monthly retirement benefits deposited into a personal DROP account while simultaneously continuing to work for up to five years. Members would choose how to invest money in their

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DROP account. The member does not earn additional credit for retirement, or receive any cost-of-living adjustments during the DROP period. Contributions from the state and member into the member's retirement account cease upon entering the DROP.

### **Summary of Sections**

- Section 1: Definitions  
(6) DROP  
(7) DROP contributions  
(8) DROP period
- Section 2: Include section 3 in Nebraska State Patrol Retirement Act.
- Section 3: (1) Member who meets participation requirements may enter DROP for up to five years. Pension benefits are deposited in to DROP account.  
(2) Participation requirements  
(a) 50 years old and 25 years of service.  
(b) Member in DROP shall receive regular retirement benefits. 5 years maximum in DROP. Member may separate from service and DROP at any time.  
(c) Member shall choose annuity option. Benefits are fixed as of date of annuity election. Disability and death provisions.  
(d) No more retirement contributions.  
(e) Member shall be paid DROP balance at separation from service.  
(f) Member responsible for directing DROP account. No guarantee on investments.  
(g) May be subject to administrative or other fees or charges.
- Section 4: Original sections are repealed.

### **Explanation of amendments, if any:**

AM 614 removes unnecessary language. AM 614 removes provisions allowing optional "DROP contributions" to a DROP account. AM 614 changes provisions related to death and disability. Upon the death of a member during the DROP period, member's beneficiary will receive monthly annuity benefit, based on provisions currently set forth in statute, and DROP account balance. Upon the disability of a member during the DROP period, member will receive annuity benefit and DROP account balance. AM 614 removes benefit cost-of-living adjustments during the DROP period.

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**Senator John Synowiecki, Chairperson**

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