



**Hundredth Legislature - Second Session - 2008**  
**Committee Statement**  
**LB 371**

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**Hearing Date:** February 5, 2007  
**Committee On:** Nebraska Retirement Systems

**Introducer(s):** (Erdman)  
**Title:** Adopt the Nebraska Peace Officer Retirement Act

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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:**

- 5 Yes                                      Senators Erdman, Karpisek, Louden, Synowiecki, White
  - No
  - 1 Present, not voting      Senator Heidemann
  - Absent
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**Proponents:**  
 Senator Phil Erdman  
 Mark Overman  
 Terry Wagner

**Representing:**  
 Introducer  
 Nebraska Fraternal Order of Police  
 Nebraska Sheriff’s Association

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**Opponents:**  
 Lynn Rex  
 Beth Bazyn Ferrell

**Representing:**  
 League of Nebraska Municipalities  
 Nebraska Association of County Officials

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**Neutral:**  
 Larry Thoren

**Representing:**  
 Police Chiefs Association of Nebraska

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

Nebraska lacks a comprehensive, statewide retirement plan for law enforcement personnel. Second class cities and villages are not included in any of these existing programs. This range of retirement benefits provides an incentive for trained law enforcement officers to accept employment with another political subdivision that has a comparably better retirement program under state law.

LB 371 creates the Nebraska Peace Officer Retirement Plan, a statewide defined benefit plan for all law enforcement personnel in Nebraska not currently enrolled in a defined benefit retirement

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plan. The language and provisions contained in LB 371 are primarily patterned on the existing Nebraska State Patrol retirement plan.

This bill allows each peace officer in Nebraska to enroll in the plan except for those who are in a plan and choose to remain in that plan or those who were hired by cities of the first class prior to January 1, 1984. It also allows for the transfer of funds held in another retirement account into the Nebraska Peace Officers Retirement System.

This plan also would authorize a deferred retirement option plan (“DROP”). A DROP plan permits optional additional contributions made by members DROP plan which are treated like a defined contribution program. A member enrolled in DROP directs their own funds; and that fees can be charged against account.

**Explanation of amendments, if any:**

Under AM 1857 officers can opt into the Nebraska Peace Officers Retirement System by January 1, 2009 and shall transfer all funds held in their current retirement system into the Peace Officers Retirement System. The employer and employee would contribute 9.25% of monthly wages to the System. The Unfunded Actuarial Liability is amortized over 30 years, funded by a portion of the employee/employer monthly contribution. Retirement benefit is 2.25% of the final monthly wage average, per year of service. AM 1857 removes COLA and DROP provisions. AM 1857 makes survivor benefits optional and sets the disability benefit at 62.5% for job-related disabilities and 50% for non-job related disabilities.

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**Senator John Synowiecki, Chairperson**