



**Hundredth Legislature - First Session - 2007  
Committee Statement  
LB 499**

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**Hearing Date:** February 20, 2007  
**Committee On:** Nebraska Retirement Systems

**Introducer(s):** (White)  
**Title:** Change contributions for school retirement

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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 Tom White  
Michael Smith

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**Representing:**  
Introducer  
Omaha School Employees Retirement System,  
Omaha Public Schools  
Nebraska State Education Association

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**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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

Section 1 of LB 499 provides that if the Legislature determines that a payment to NSERS is necessary, that that payment will be computed as a percent of payroll. If OSERS certifies that it also needs additional funds to meet its actuarially-required contributions, then the state will contribute to OSERS the same percent of payroll as was paid to NSERS.

If it is determined that an actuarial deficit should be covered by increased member contributions, or that NSERS does not require additional state revenues, there will be no contributions to OSERS.

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Section 2 addresses the OSERS contribution rates for both the employees and the Omaha School District, since these rates are set in state law. Currently, those rates are 6.3% for the employees and for OPS the greater of 100% of the employee contributions or the amount necessary to maintain the solvency of their retirement system. The contribution rates in LB 499 are 7.3% for the employees, with the school district contributing the greater of 101% of the employee contributions or the amount necessary to maintain the solvency of the system. These amounts have been determined by the system's actuary to provide solvency for the foreseeable future.

### **Summary of Sections**

- Section 1      Requires that if the state makes a deposit to the School Employees Retirement System due to an actuarially required contribution under section 79-966, a transfer of funds must be made to the Class V school district's retirement system equivalent to the deposit made to the School Employees Retirement System, calculated as a percent of compensation of members in the respective systems.
- Section 2      Changes Class V school district's retirement system contribution rates. The employee contribution rate would go from 6.3% to 7.3%. The employer contribution rate would increase from 100% of employee contributions to 101% of employee contributions.
- Section 3      Original sections are repealed.
- Section 4      Contains an emergency clause.

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

AM 841 strikes Section 1, removing provisions requiring that if the state makes a deposit to the School Employees Retirement System due to an actuarially required contribution, a transfer of funds must be made to the Class V school district's retirement system equivalent to the deposit made to the School Employees Retirement System.

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**Senator John Synowiecki, Chairperson**