



**Hundredth Legislature - Second Session - 2008
Committee Statement
LB 613**

Hearing Date: February 12, 2007
Committee On: Nebraska Retirement Systems

Introducer(s): (Nebraska Retirement Systems Committee)
Title: Change deposit provisions of school employees retirement systems

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - Advanced to General File with Amendments
 - X Indefinitely Postponed
-

Vote Results:

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

Proponents:
Jeremy Nordquist

Representing:
Introducer, Nebraska Retirement Systems Committee

Opponents:
John Bonaiuto
Herb Schimek
Mike Dulaney
Virgil Horne

Representing:
Nebraska Association of School Boards
Nebraska State Education Association
Nebraska Council of School Administrators
Lincoln Public Schools

Neutral:

Representing:

Summary of purpose and/or changes:

LB 613 would change the current employee and employer retirement contribution rates under the School Employees Retirement Act.

The current employee contribution rate is 7.83% of compensation and is scheduled to return to 7.25% on September 1, 2007. LB 613 would set the employee contribution rate at 7.3%.

Currently, the employer matches the employee contribution rate with a 101% matching rate. Employers are, therefore, currently contributing 7.908% of employee compensation. LB 613

would set the employer match at 108%. Under LB 613, therefore, employers would contribute 7.884% of employee compensation.

Background

The Legislature enacted LB 503 in 2005, which contained provisions to temporarily increase the employee and employer retirement contribution rates under the School Employees Retirement Act. The purpose for the increased contribution rate was because the State Actuary indicated that there was a need for an additional contribution of approximately \$15.4 million.

Explanation of amendments, if any:

Senator John Synowiecki, Chairperson