



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 665**

Hearing Date: February 1, 2007
Committee On: Nebraska Retirement Systems

Introducer(s): (Karpisek)
Title: Provide for the election of cash balance benefits for state and county employees

Roll Call Vote – Final Committee Action:

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

Vote Results:

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

Proponents:	Representing:
Senator Russ Karpisek	Introducer
Kate Morris	self
Bob Corner	NAPE/AFSCME
Beth Bazyn Ferrell	Nebraska Association of County Officials

Opponents: **Representing:**

Neutral: **Representing:**

Summary of purpose and/or changes:

Pursuant to the April 2002 passing of Legislative Bill 687, which added the Cash Balance benefit option for State and County employees, Legislative Bill 665 provides that those employees who remain with the Defined Contribution benefit be given a further opportunity to enroll in the Cash Balance benefit option.

Beginning January 1, 2003, members who begin participation in the State Employees' Retirement Plan participate in the Cash Balance benefit only.

Summary of Sections

- Section 1 Permits county defined contribution retirement plan members to elect to continue participation in the defined contribution plan or to participate in the cash balance benefit. Election would take place between November 1, 2007 and December 31, 2007. Members that previously made an election to the cash balance plan would not have to reelect the cash balance benefit.
- Section 2 References changed retirement plan election period.
- Section 3 Permits state defined contribution retirement plan members to elect to continue participation in the defined contribution plan or to participate in the cash balance benefit. Election would take place between November 1, 2007 and December 31, 2007. Members that previously made an election to the cash balance plan would not have to reelect the cash balance benefit.
- Section 4 References changed retirement plan election period.
- Section 5 Original sections are repealed.

Background

County and state plan members had the option to elect to continue participation in the defined contribution plan or to participate in the cash balance benefit before January 1, 2003, according the passage of the cash balance benefit (LB 655, Laws 2002).

Currently, there are 8,433 state employees active in the defined contribution plan and 6,918 state employees active in the cash balance plan. Currently, there are 3,363 county employees active in the defined contribution plan and 3,364 county employees active in the cash balance plan.

Explanation of amendments, if any:

Senator John Synowiecki, Chairperson