

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB1082

Hearing Date: Monday February 06, 2012
Committee On: Nebraska Retirement Systems
Introducer: Karpisek
One Liner: Name and change provisions of the Police Officers Retirement Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 6 Senators Heidemann, Karpisek, Lambert, Louden, Mello, Nordquist
Nay:
Absent:
Present Not Voting:

Proponents:
Senator Russ Karpisek
John Francavilla III
Steven Young
Jeremy Kinsey

Representing:
Introducer
Fraternal Order of Police
Fraternal Order of Police
Fraternal Order of Police

Opponents:
Lynn Rex

Representing:
League of Nebraska Municipalities

Neutral:

Representing:

Summary of purpose and/or changes:

As introduced, LB 1082 names the Police Officers Retirement Act and provides comparability of police officer pensions in all cities of the first class. The Act includes unspecified contribution rates for police officers with matching contribution rates for first class cities, a revised five-year vesting period, and unspecified dates for each of the changes. LB 1082 strikes the requirement that all city council appointees to the retirement board must have a general knowledge of retirement plans. Cities' payments for increases in contribution rates are outside lid and levy restrictions. The effective date and duration of the levy and lid exceptions are unspecified.

Explanation of amendments:

Contribution rates for police officers and first class cities increase to a minimum of 6.5% beginning January 1, 2013. Each city may enact an ordinance to increase contribution rates beyond the minimum rate. Any increased rate adopted by a city becomes a mandatory contribution rate for all police officers within the city's jurisdiction. All rates, including increases in rates, must be matched 100% by the city.

Beginning January 1, 2013, the vesting schedule is changed to a seven year vesting schedule. AM2105 reinstates the requirement that all city council appointees to the retirement board must have a general knowledge of retirement plans. There are no exceptions to the levy and lid limitations for payment of increased contribution rates.

Section-by-Section Summary of AM 2105:

Section 1 creates the Police Officers Retirement Act, which applies to all police officers in first class cities and includes Sections 16-1001 through 16-1019.

Section 2 amends section 16-1002, which is the definitional section of the act; includes revisor technical change and strikes obsolete language.

Section 3 amends section 16-1003 and includes only revisor technical changes.

Section 4 amends section 16-1004 and includes revisor technical changes and strikes obsolete language.

Section 5 amends section 16-1005. Beginning January 1, 2013 employee (police officer) contribution rates are increased to a minimum of 6.5%. Each city may enact increases to the contribution rate by adoption of an ordinance. All increased rates adopted by a city become the mandatory contribution rate for all police officers. It strikes obsolete language.

Section 6 amends section 16-1006. Beginning January 1, 2013 first class cities contribute a sum equal to 100% of the 6.5% police officer contribution rate and any increase in rate enacted by ordinance. It strikes obsolete language.

Section 7 amends section 16-1007; includes revisor technical changes and strikes obsolete language.

Section 8 amends section 16-1008 and includes only revisor technical changes.

Section 9 amends section 16-1009 and includes only revisor technical changes.

Section 10 amends section 16-1010 and includes only revisor technical changes.

Section 11 amends section 16-1013. It strikes obsolete language. Beginning January 1, 2013 a new vesting schedule goes into effect as follows:

- 0 - 2 years no vesting
- >2 - 4 years 40% vested
- >4 - 5 years 60% vested
- >5 - 7 years 80% vested
- > 7 years 100% vested

Section 12 amends section 16-1014 and includes only revisor technical changes.

Section 13 amends section 16-1016 and includes only revisor technical changes.

Section 14 amends section 16-1017 and includes only revisor technical changes.

Section 15 amends section 16-1019 and includes only revisor technical changes.

Section 16 amends section 18-1723 and includes only revisor technical changes.

Section 17 repeals original sections.

Jeremy Nordquist, Chairperson