

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB639

Chairperson: Senator Jeremy Nordquist

Committee: Nebraska Retirement Systems

Date of Hearing: January 31, 2013

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Under LB 639, all new judges and state patrol members hired after July 1, 2014 would become members of the State Employees Retirement System, which is the State Cash Balance Plan, instead of the current Judges and State Patrol defined benefit plans.

As members of the State Cash Balance Plan, new judges and patrol employees would pay the same contribution rate as current state employees under that plan, which is 4.8%, and the state would match those rates at the existing rate of 156%. Under the State Cash Balance Plan, new judges and patrol employees would be assured an interest credit rate the greater of 5% or the applicable federal mid-term rate plus 1.5%. A supplemental benefit is added for members of the State Patrol in lieu of participating in Social Security.

Current members of the Judges and Nebraska State Patrol defined benefit plans would remain members and retain all rights and benefits. The contribution rates for those members would remain unchanged.

Principal Introducer: _____

Senator John Nelson