

Legislature - First Session - 2015

**Introducer's Statement of Intent**

**LB446**

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**Chairperson: Senator Jeremy Nordquist**

**Committee: Nebraska Retirement Systems**

**Date of Hearing: January 29, 2015**

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

LB 446 changes the definition of "compensation" in the Class V School Employees Retirement Act so it is identical to the definition of "compensation" in the School Employees Retirement Act.

It adds a new capping requirement to the Class V School Employees Retirement Act for members whose retirement date is on or after July 1, 2016. The portion of a member's compensation in a plan year that exceeds the compensation by 8% in the preceding year is excluded for purposes of calculating the member's retirement benefit. If a member's compensation was reduced as a result of unpaid absence from work, the compensation used in the capping calculation will be the greater of (1) the annualized compensation for the preceding year as if it had been fully received or (2) the most recent preceding plan year in which the member had no unpaid absence from work.

LB 446 also includes a clean-up provision in the School Employees Retirement Act, which moves the capping language from the definition of "compensation" to section 79-934.

**Principal Introducer:** \_\_\_\_\_

**Senator Jeremy Nordquist**