

One Hundred Fourth Legislature - First Session - 2015

**Introducer's Statement of Intent**

**LB551**

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**Chairperson: Senator Jeremy Nordquist**

**Committee: Nebraska Retirement Systems**

**Date of Hearing: February 24, 2015**

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

LB 551 creates the Local Government Employees Retirement Plan which is similar to the County Employees Cash Balance Plan. The new plan includes the following provisions:

1. All local governmental entities may elect to, but are not required to, join the plan beginning on an unspecified date;
2. If a first class city with a firefighter or police officer retirement plan elects to transfer to the plan, a supplemental contribution rate shall be added; the combined base and supplemental contribution rates shall not be less than the current firefighter or police officer and employer contribution rates;
3. Any retirement funds in a pre-existing local government retirement plan shall be transferred to the plan upon election to join the plan;
4. The Nebraska Investment Council shall invest all funds of the plan;
5. If the actuarially required contribution rate exceeds the rate of all contributions, the entity which shall provide the additional contributions is unspecified; and
6. The plan shall be administered by the Public Employees Retirement Board; a representative of local government employees will be added to the membership of the Board.

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

**Senator Jeremy Nordquist**