

One Hundred Fourth Legislature - First Session - 2015

Introducer's Statement of Intent

LB655

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 655 creates a Cash Balance Retirement Plan for first class city firefighters hired on and after an unspecified date. Currently, all first class city firefighters hired after 1984 are members of defined contribution plans administered by each first class city.

Firefighters would have a one-time option between unspecified dates to transfer into the Cash Balance Retirement Plan. The plan would be structured similar to the County and State Cash Balance Retirement Plans which guarantee a minimum 5% interest rate with possible dividends if the plan is fully funded.

Employee and employer contribution rates would remain the same as the rates for the current members of the firefighter defined contribution plans. The employee rate would be 6.5% of compensation and the employer rate would be 13%.

The First Class City Firefighters Cash Balance Plan would be administered by the Public Employees Retirement Board. A representative of the first class city firefighters would be added to the membership of the Public Employees Retirement Board.

Principal Introducer: _____

Senator Al Davis