

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT
LB32

Hearing Date: Tuesday January 29, 2019
Committee On: Nebraska Retirement Systems
Introducer: Kolterman
One Liner: Change defined contribution benefit investment options as prescribed under the County Employees Retirement Act and State Employees Retirement Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:
Aye: 6 Senators Bolz, Groene, Kolowski, Kolterman, Lindstrom, Stinner
Nay:
Absent:
Present Not Voting:

Oral Testimony:

Proponents:

Senator Mark Kolterman
Michael Walden-Newman
Randy Gerke

Beth Bazyn Ferrell

Representing:

Introducer
Nebraska Investment Council
Nebraska Public Employees Retirement Systems,
Public Employees Retirement Board
Nebraska Association of County Officials

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 32 was introduced at the request of the Nebraska Investment Council. As part of the Council's ongoing review of investments to reflect best practices, the Council is recommending making the following changes to the investment options:

- Replace the age-based, premixed (balanced) and investor select option with Target Date Funds
- Remove the money market investment option
- Remove the S&P Index Fund

Investment options will continue to also include:

- An investor select account invested under the direction of the SIO with an asset allocation and investment strategy substantially similar to the investment allocations made by the SIO for the DB plans
- A stable return account that provides capital preservation and consistent steady returns
- An equities account
- A fixed income account in fixed income instruments

The investment options are listed in the County and State Employees Retirement Acts for Defined Contribution members, but these same investment options are used for members with Deferred Compensation accounts and State Patrol officers who have entered the Deferred Option Retirement Plan.

The effective date is January 1, 2021.

Mark Kolterman, Chairperson