

One Hundred Seventh Legislature - First Session - 2021

Introducer's Statement of Intent

LB478

Chairperson: Senator Mark Kolterman

Committee: Nebraska Retirement Systems

Date of Hearing: March 02, 2021

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

LB 478 amends sections 4-108, 16-1020, 84-1511, 84-1501 and 84-1503 to create a Cash Balance Retirement Plan for first-class city firefighters.

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 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 when the plan is fully funded.

The current State Cash Balance Plan was implemented in 2002 and continues to produce successful retirement options and can for First Class City Firefighters as well

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 Carol Blood