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PREPARED BY:  
DATE PREPARED:  
PHONE:

Kathy Tenopir  
January 27, 2011  
471-0058

**LB 532**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below		See Below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB532 relates to a Department of Labor independent retirement plan. This is a defined benefit retirement plan that covers employees of the Division of Employment who were employed prior to 1984. It appears that there are approximately 60 active employees in this category. LB532 provides that if the Department of Labor's independent retirement plan is terminated, those covered by the plan would become members of the State Employees Retirement Plan and would be granted vesting credit for their years of participation in Labor's independent retirement plan.

It would appear that the cost to move approximately 60 people into the State Employee Retirement Plan is minimal as indicated by the fiscal note response from the Nebraska Public Employees Retirement System (NPERS). NPERS estimates a one-time cost of \$1,015.

### DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	1/27/11	PHONE	471-2526
COMMENTS					
NE EMPLOYEES' RETIREMENT BOARD – The addition of a new member to the state retirement system is generally handled by the agency hiring the new employee. The approximate 50 employees of the Department of Labor would be added to the state retirement system in the same manner as any other new hire to the state. While there may be a cost related to the processing of 50 new employees, that cost is the responsibility of the hiring agency.					

JAN 26 2011

**FISCAL NOTE ~~LEGISLATIVE FISCAL~~ LB532**  
**Nebraska Employee Retirement System**

Prepared By	Gerke, Randy
Date Prepared	1/25/2011
Prepared Phone	402-471-9495

**Estimate Provided By State Agency or Political Subdivision**

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds	1015			
Federal Funds				
Other Funds				
<b>Total Funds</b>	<b>1015</b>			

**Explanation of Estimate:**

LB979 provides that if the retirement plan that covers a select group of Dept. of Labor employees is terminated the active members will be eligible for vested membership in the State Employees Retirement Plan. There is minimal fiscal impact to the Nebraska Public Employees Retirement System operating budget.

It will be necessary for NPERS employees to administer the enrollment of approximately 50 Labor employees. There will also be some materials and training time necessary for educating the new employees on the provisions of their retirement plan. NPERS is estimating this will take approximately 40 hours of staff time @ \$25.35 to administer this transfer. Staff that will be involved with this include the Education Service Manager, Accountant II, IT Business Analyst, Finance Manager and Retirement Specialists. We are asking for a total one time additional PSL spending authority of \$1,015 from NPERS Cash Funds.

**Major Objects of Expenditure**

Position Title	Number of Positions		FY 2011-2012 Expenditures	FY 2012-2013 Expenditures
	FY 2011-2012	FY 2012-2013		
Staff			1015	
		Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		<b>Total</b>	<b>1015</b>	