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**LB 1146**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB1146 deals with the School Employee Retirement plan and expands the definition of compensation. In current state law, part of the definition of compensation includes "amounts contributed by the member to plans under sections 125, 403(b), and 457 of the Internal Revenue as defined in section 49-801-01 or any other section of the code which defers or excludes such amounts from income." LB1146 strikes the phrase "by the member" therefore, amounts contributed by both the member and the employer would be included in the definition of compensation. Most health insurance plans are covered under section 125 of the Internal Revenue Code. Currently, the employer contributions to health insurance plans are not included in the definition of compensation. LB1146 expands the definition to include the employer contribution to health insurance and any other plan or program offered by the employer which defers or excludes amounts contributed from income.

LB1146 may have a fiscal impact to the School Employee Retirement plan. The impact cannot be determined without an actuarial analysis.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Mike Salzwedel	2/4/08	PHONE 471-2526
COMMENTS			
RETIREMENT BOARD – Agree with agency that the impact to School Employee Retirement Plan is unknown. Agree with agency's estimate of impact on the agency's budget.			