

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB639

Hearing Date: Thursday January 31, 2013
Committee On: Nebraska Retirement Systems
Introducer: Nelson
One Liner: Make new judges and state patrol officers members of the state employees retirement system

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:
Aye: 6 Senators Conrad, Davis, Karpisek, Kolowski, Mello, Nordquist
Nay:
Absent:
Present Not Voting:

Proponents:
Senator John Nelson

Representing:
Introducer

Opponents:
William Cassel
Marsha Fangmeyer
Steve Burns
Laurie Yardley
Matt Schaefer
Mike Heavican

Representing:
self
Nebraska State Bar Association
Nebraska District Judges Association
Nebraska County Judges Association
State Troopers Association of Nebraska
Chief Justice, Nebraska Supreme Court

Neutral:
Phyllis Chambers
Ann Post

Representing:
Nebraska Public Employees Retirement Systems
Lincoln Independent Business Association

Summary of purpose and/or changes:

LB 639 moves judges and state patrol officers who begin employment on or after July 1, 2014 into the State Employees Cash Balance Plan. All cash balance members, including judges and patrol officers, contribute 4.8% of compensation with a state match of 156%, which is 7.49%. Because state patrol members do not pay in to social security, under LB 639 state patrol members would make a supplemental member contribution of 7.65% which is matched 100% by the state employer.

LB 638 also adds four public representatives to the Public Employees Retirement Board. The additional public representatives would create an equal number of plan members and public members on the Board.

SECTION-BY-SECTION SUMMARY

Section 1 amends the definition of judge in the current Judges Retirement Act as one who began serving prior to July 1, 2014.

Section 2 clarifies that a judge who receives notice that a complaint has been filed against him or her is not allowed to

retire under the Judges' Retirement Act, or the State Employees Retirement Act until the matter is resolved by the commission or the Supreme Court.

Section 3 states that judges on temporary duty are not required to contribute to the Judges Retirement Plan or the State Employees Retirement Plan.

Section 4 clarifies that acting judges shall not pay contributions and are not eligible to receive retirement benefits under the Judges' Retirement Plan or the State Employees Cash Balance Plan.

Section 5 amends the definition of officer in the Nebraska State Patrol Retirement Act as one who was initially employed prior to July 1, 2014.

Section 6 amends the definition of employee under the State Employees Retirement Act to include judges who begin serving and patrol officers who are employed after July 1, 2014; amends the definition of contribution for employees and employers to include rates established under section 10 of this Act which establishes supplemental patrol contributions and adds a new definition for judges to the State Employees Retirement Act.

Section 7 includes the state patrol supplemental contributions in the list of contributions that may be accepted from members and the state.

Section 8 clarifies in the State Employees Retirement Act that the retirement eligibility age for state patrol officers is an exception to state employee retirement age of 55.

Section 9 adds to the State Employees Retirement Act the current State Patrol retirement age eligibility and mandatory retirement at age 60; describes effective date of retirement payments which may be received no more than 90 days prior to qualifying for retirement; adds state patrol credit for military service.

Section 10 adds a new section which creates a supplemental retirement benefit plan for certified law enforcement officers employed on or after July 1, 2014 which is funded by additional 7.65% patrol and state contributions.

Section 11 amends current State Employees Retirement Act annuity language to clarify that state patrol members receive full annuity at age 60.

Section 12 amends the State Employees Retirement Act and adds reference to new language in Section 9 regarding state patrol military service credit.

Section 13 adds new section to the State Employees Retirement Act regarding filling of judicial vacancy.

Section 14 adds reference to sections 9, 10, and 11 as incorporated into the State Employees Retirement Act.

Section 15 clarifies that any new county employee who becomes a judge after the effective date of this Act is eligible for membership in the State Employees Cash Balance Retirement Plan rather than the Judges Retirement Plan.

Section 16 increases the Public Employees Retirement Board from 8 to 12 members by adding four public representative members to the Board.

Section 17 establishes July 1, 2014 as the operative date of this Act.

Jeremy Nordquist, Chairperson