

Legislature - First Session - 2019

Introducer's Statement of Intent

LB683

Chairperson: Senator Mark Kolterman

Committee: Nebraska Retirement Systems

Date of Hearing: March 19, 2019

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

This is a placeholder bill introduced at the request of Omaha Public Schools. LB 683 adds a new section to the Class V School Employees Retirement Act. As currently drafted, it adds intent language to develop a work plan with recommendations and cost estimates for a one-time option for certain terminated members to receive a lump sum payment of a specified percentage of the present value of the member's deferred retirement benefit in lieu of all rights to receive the retirement benefits under the Act.

LB 683 directs the Public Employees Retirement Board to undertake a work plan in consultation with the Retirement Committee, the Class V School Employees Retirement Board of Trustees and Omaha Public Schools. The work plan must be completed by June 30, 2020 and include at a minimum analyses and recommendations regarding:

Terminated members who should be eligible to elect a lump sum payment in lieu of a deferred retirement benefit

The percentage of the present value of the deferred retirement benefit that should be offered

The actuarial assumptions to be used for calculation of the present value of the deferred retirement benefit

The period or periods that the lump sum payment option should be available to eligible terminated members

The information and disclosure that should be made to eligible terminated members including the comparison of the projected lump sum payment with the amount of the member's projected normal retirement benefit; and

Estimates of the effect of the lump sum option on the current and projected actuarial liabilities and funded ratio of the Class V School Employees Retirement Systems Plan.

It creates a Class V School Employees Retirement System Management Work Plan Fund to transfer funds paid by the Class V School Employees Retirement Systems Plan to the Public Employees Retirement Board for services and related expenses in carrying out the tasks related to completion of the work plan.

It amends the Public Employees Retirement Board duties and responsibilities statute by requiring the Public Employees Retirement Board to carry out the work plan identified in this bill and to contract, bill and receive payment from the Class V School Employees Retirement Systems Plan for all work performed.

Principal Introducer: _____

Senator Mark Kolterman