

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT
LB196

Hearing Date: Thursday March 02, 2023
Committee On: Nebraska Retirement Systems
Introducer: Bostar
One Liner: Change provisions relating to the Nebraska State Patrol Retirement System and benefits provided upon the death of an officer after retirement and annual benefit adjustment calculations

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 4 Senators Conrad, Ibach, McDonnell, Vargas
Nay: 2 Senators Clements, Hardin
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Eliot Bostar
Tom Nesbitt
Martin Costello

Representing:

Opening Presenter
State Trooper Association of Nebraska
State Trooper Association of Nebraska

Opponents:

Representing:

Neutral:

Orron Hill

Representing:

Nebraska Public Employees Retirement Board and
Nebraska Public Employees Retirement System

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

Overview

LB 196 makes three general changes to the State Patrol retirement plan. First, it reduces the Patrol members' contribution to 8% of compensation and increases the State/employer contribution to 25%.

The proposal also increases the annuity amounts for a surviving spouse of a Patrol member from the current 75% of the annuity to 100%. The third item changes the cost of living adjustment from the "lesser" of the Consumer Price Index changes or set percentage (from 1% to 3% based on hiring date and length of service) to the "greater" of the two factors.

Section by section



Section 1 Amends section 81-2017, addressing contribution rates for State Patrol retirement system members and the state, as employers, by decreasing the patrol members contribution and increasing the State's contribution. Beginning July 1, 2023, the member contribution is reduced to 8% from the current 17% (for Patrol members hired after 7/1/26) or 16% (members hired prior to 7/1/16).

Subsection (2)(a)(iv) adds language that increases the State /employer contribution from 17% to 25%.

Section 2 Amends section 81-2026, regarding retirement annuity computation, by increasing the benefit to the surviving spouse from the current 75% of the annuity to 100%. Additional provisions address situations where there are dependent children under the age of nineteen.

Section 3 Amends section 81-2027.08, which addresses cost of living adjustments for Patrol annuities, by changing language that provided the "lesser" of the Consumer Price Index changes or 2.5 or 3 percent depending on the members length of service, to the "greater" of the two factors. This section applies to members hired prior to July 1, 2016.

Section 4 Amends section 81-2027.09, regarding cost of living adjustments for Patrol annuities for those hired after July 1, 2016, by changing language that provided the "lesser" of the Consumer Price Index changes or 1%, to the "greater" of the two factors.

Section 5 Repeals original sections.

Section 6 Emergency clause.

Explanation of Amendment

Overview

Committee Amendment AM3100 strikes provisions in the original bill and adjusts contribution rates. Provisions in the amendment include: Eliminating changes to the surviving spouse benefits (section 2) and eliminating changes to the Cost of Living Adjustment provisions (Section 3 –Tier I employees and Section 4- Tier II employees).

The contribution rates are also altered from the rates in the original bill by increasing the employee contribution rate from 8% to 10% and decreasing the employer rate to 24%.

With the amendment, the resulting proposal only addresses contribution rates (Section 1).

Section by section

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Subsection (2)(a)(iv) adds language that increases the State /employer contribution from 17% to 24%.

Section 2 Repeals original section

Section 3 Emergency clause.



Explanation of amendments:

Mike McDonnell, Chairperson

