

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB532

Chairperson: Senator Jeremy Nordquist

Committee: Nebraska Retirement Systems

Date of Hearing: February 01, 2011

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

Legislative Bill 532 is introduced at the request of the Nebraska Department of Labor.

In 1961, the Legislature authorized the Commissioner of Labor to establish an independent retirement plan for employees of the Department of Labor employed in the unemployment insurance and job service programs. By statute, those employees were prohibited from becoming members of the state retirement system. In 1984, the Legislature closed off the independent retirement plan to new membership. The number of active participants in the independent retirement plan still employed by the Department has declined to forty-nine employees.

The intent of LB 532 is that if the independent retirement plan is terminated, any active participants employed by the Department at that time will immediately become members of the state employees' retirement system and will continue to accrue retirement benefits while employed by the state. LB 532 does not provide for a transfer of the employee's retirement account in the independent retirement plan to the state system or transfer the administration or management of the independent retirement plan to the state retirement system. Retirement benefit rights accrued under the independent retirement plan would continue to be governed by the terms of that plan.

Principal Introducer: _____

Senator Russ Karpisek