

March 26, 1984

LB 457

page 1398. You will find it printed in your Bill Books. It is request 2331.

PRESIDENT: The Chair recognizes Senator Wesely.

SENATOR WESELY: Thank you. Mr. President and members of the Legislature, I know there has been a lot of discussion about this bill, LB 457. It has been here about a year. It has been a focal point for a lot of discussion. I would like to as best I can summarize the bill for you, discuss its different components and then open up for any questions if I can help you clarify aspects of the bill. LB 457 as originally introduced was really a 10 percent increase in retirement benefits for school retirees. It went from a formula that has a factor of 1.5 times the last three years of service, times the salary that you make, it is a certain formula with three components to it, but the 1.5 is the factor you use. That 1.5 was increased to 1.65, so as you can see a 1.5 to a 1.65 is a 10 percent increase in benefits. That is all the bill as originally introduced would have provided. Since that bill was introduced, and there was another bill introduced by Senator Newell that dealt with school employee retirement, we did sit down and work together with the school boards, school administrators, the school teachers and try to come up with a package to improve school retirement benefits in the State of Nebraska. The amendment which is now before us is the culmination of those discussions. In addition to the one component I just said that is already in the bill, that is the 10 percent increase in the retirement benefits in the formula that we use, there is now added two other improvements. The first improvement is a prior service improvement. That is to say we eliminate a factor that was used all of these years since 1968 when we came into this new retirement plan which had used this old retirement plan prior to 1968 to factor the retirement benefits for those prior to 1968 years of service. I know I am confusing you but let me tell you simply what it is. It is that we have a retirement plan until '68 that was not very good. We finally dumped it and got a new retirement plan, but for those employees in our school systems around the state that worked prior to '68, those years they worked prior to '68 were still factored

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