

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

February 17, 1998 LB 796, 822

we'll go ahead anyway. LB 796, as it was introduced and as it's contained in this amendment, would allow early commencement of retirement at age 60 for a judge and 20 years of service with unreduced benefits. An early retirement reduction would apply if retirement occurs at age 60 or above with less than 20 years of service, and that reduction would be 3 percent for each year between the retirement date and the retiree's 65th birthday. Full actuarial reductions would continue to apply for retirements occurring between the ages of 55 and 60. There was a Towers Perrin study with respect to this proposal. And I have a letter which I'll be glad to pass out or furnish any member a copy of that would like one. I would ask a Page to come at the present time, perhaps, and get this distributed to the body as we are opening. The study was completed using data and asset information available as of June 30, 1997, and it reflects revised assumptions approved by the PERB board in November of 1997. These assumptions have been further modified to reflect an expectation for early retirements under LB 796. I guess the bottom line is that with this proposal it is expected that the state would continue not to have to make any contribution to this fund for ten or more years with this change. The Retirement Fund, at least the last two or three years, for judges has been funded by a dollar fee in the court costs, it goes to the Judges Retirement Fund, and by the judges themselves, by their contribution. The actuarial study says, once again, with this change we don't expect that there would need to be any additional state contribution for at least ten or more years. Now, why do this? And I know there's some philosophical differences that we certainly will talk about. State and county plans provide that you can retire at age 55. (LB) 822, that we're amending this to, would allow a teacher to retire at age 55. State Patrol can retire at age 55. The age that we are specifying in this amendment is age 60. Judges contribute to their Retirement Fund for 20 years, and this bill, in order to capture full retirement benefits, would require service of 20 years. When judges are eligible for the benefits under this plan, they wouldn't be making any more personal contributions to the system after that, if they continued to work. I think it's vital that we keep...that we keep quality, energetic, enthusiastic judges on the bench. I think it is helpful when we can make the retirement of those that reach the age of 60 or more a little easier so that, if they are no longer