

employees, county employees, State Patrol, judges, Omaha school employees. So all those people are included in LB 218, and first class city police and firefighters were included in two other retirement bills that were passed separately so that we have at least seven or eight different systems that are under the employee pickup concept already. What happened was the school boards and school teachers were not sure whether or not they wanted to be under that bill last year so they took this last year to consider it and look at all the options and decided it was in their best interest and so they did come to us, the school boards and the school teachers, and ask for this bill. Lancaster County and Douglas County and MUD all realized that they also wanted to be part of the bill and so essentially with the passage of LB 353 all the different public employee entities will be under the employee pickup concept so that there would be uniformity across all the public employees. So we took the step last year and we are taking the second step this year and this should end the issue because it will take care of everybody, I think, that could possibly be under such a pickup. The concept is a simple one, really. It does provide for an immediate impact and benefit to the employee and there is a reduction of revenue to the state because our income taxes are reduced and that is the benefit to the employee. Mostly though, it is federal income taxes that are reduced, so the federal government is the one that has the biggest hit. But eventually all that money is repaid anyway because when you get the actual benefit you are taxed on the benefits at that time so it is a delayed tax essentially is what we are talking about. But for the immediate situation it is a benefit to these employees and those who are their employers, the different subdivisions of government all support this as one way to improve their benefits with very little cost to them. So I would ask your support for LB 353.

PRESIDENT: Thank you. Senator Nichol.

SPEAKER NICHOL: Mr. President and members of the Legislature, I, too, would like to ask Senator Harris a question, please.

SENATOR HARRIS: Yes.

SPEAKER NICHOL: Senator Harris, in my opinion, the most important committee in this Legislature is the Retirement