

**Report of the Retirement Committee
of the NSEA Board of Directors, 2013-14
M.L. Lehman, ESU No. 16, North Platte, Chair**

The NSEA Retirement Committee this year held two WebEx meetings, on June 10 and Dec. 9, and held a Jan. 25 meeting at NSEA, with additional communication provided by NSEA staff.

In November, Cavanaugh Macdonald, the state's new actuarial firm, indicated there is no need for additional state contributions to the state retirement plan this year. In the report, the actuary stated, "[l]egislative and favorable experience resulted in no additional state contribution for year-end 2014."

The actuary attributed these financial improvements to recent plan changes adopted during the 2013 Legislative Session. LB553 introduced by Omaha Sen. Jeremy Nordquist, chair of the Retirement Committee, and supported by NSEA, was approved and withstood a gubernatorial veto. The bill made these changes: created a new tier for members hired after July 1, 2013 (with a reduced COLA cap and salary average over 5 years instead of 3 years); removed the 2017 scheduled reduction in the employee contribution rate, leaving the rate at 9.78 percent of salary; changed the unfunded liabilities amortization method from level dollar payments to level percent of payroll; and increased the state contribution rate to 2 percent of payroll.

The pension plan also benefitted from favorable investment returns for the year ending June 30, 2013. The plan's invested assets earned a 12.9 percent return. Anything above an annual 8 percent return is viewed as favorable.

Due to the current stability of the plans, there was no major retirement legislation introduced in 2014.

NSEA Retirement Committee members for 2013-14 include: M.L. Lehman, ESU No. 16, North Platte, chair; Roger Rea, Omaha, vice chair; Dennis Batterman, Imperial; Carolyn Campbell, Bayard; Janis Elliot and Phil Kaldahl, Bellevue; Nancy Fulton, Wilber-Clatonia; Deb Gnuse, Grand Island; John Jensen, Omaha; Becky Torrens, Elkhorn; Joan Trimpey, Arlington; and Leann Widhalm, Norfolk. NSEA staff includes Jason Hayes, Karen Kilgarin and Cathy Schapmann.