

**Report of the Retirement Committee of the Board of Directors
To the 2016 NSEA Delegate Assembly,
By M.L. Lehman, ESU No. 16, North Platte, Chair**

The NSEA Retirement Committee met on January 23 at NSEA Headquarters and reviewed the November actuarial report on the state of the retirement plan managed by the State of Nebraska. The changes enacted by LB553 in 2013 have resulted in an 88 percent funded ratio, up from 83 percent last year. With the five-year smoothing, the actuarial funded ratio is 91 percent. No additional state contributions are required this year. Fifteen percent of members are now in the Tier 2 plan. Projections indicate an expected 8 percent or above return will yield a 100 percent funded plan by 2020. The message to senators and others will be this: it is important to have a plan that is 100 percent or more funded to allow is a cushion for the down years.

Long-range goals the committee discussed:

- Merging Tier 1 and Tier 2 plans, or lowering current contribution rates.
- Educating members about their plan: benefits, history, the cost to merge the two tiers.

It was noted that Seward Sen. Mark Kolterman is the new chair of the Legislature's Retirement Committee.

Under consideration in the current session of the Legislature is LB447, which provides for the Nebraska Investment Council to have authority to: make investment decisions for the Omaha Public Schools Employee Retirement System (OSERS); and for the OSERS Board of Trustees to hire the director of OSERS and select its own legal counsel. The bill also changes selection of employee board members to be elected by the plan membership. At this writing, LB447 is on Final Reading and will likely be passed this session.

NSEA Retirement Committee members for 2015-16 include: M.L. Lehman, ESU No. 16, North Platte, chair; Roger Rea, Omaha, vice chair; Dennis Batterman, Imperial; Jenni Benson, Lincoln; Janis Elliot and Phil Kaldahl, Bellevue; Nancy Fulton, Wilber-Clatonia; Diane Garner, Columbus; John Jensen, Omaha; and Andrew Lenzen, Sidney. NSEA staff includes Jason Hayes, Karen Kilgarin and Cathy Schapmann.