

Retirement Committee
M.L. Lehman, ESU16, North Platte, Chair

Senator Mark Kolterman, chair of the Legislature's Retirement Committee, and Kate Allen, legal counsel, were guests at our Dec. 10, 2016, meeting. This was a great opportunity to discuss ideas and issues concerning the school plans and proposed legislation for 2017.

The NSEA Retirement Committee also met on Jan. 28, 2017, at NSEA. The November actuarial report was reviewed. The changes enacted by LB553 (2013) have resulted in a 90 percent funded ratio for the teacher retirement plan, up from 88 percent last year. With the five-year smoothing, the actuarial funded ratio is 91 percent. No state contributions are required this year. Twenty-two percent of members are now in the Tier 2 plan. Even with new assumptions of 7.5 percent return (changed from 8 percent) and use of new mortality tables, the funding outlook remains positive.

The Legislature's Retirement Committee has made LB415 one of its priority bills this session. The proposals, if approved, would affect *when* future employees could retire, and also puts additional restrictions on *when* a school employee could work for a plan employer following retirement. Proposed changes in the bill include: (1) changing the Rule of 85 to Rule of 90 (with a minimum age of 60) which affects only employees hired on or after July 1, 2018; (2) eliminating all exceptions to working 180 days following retirement; (3) employees returning to work after retirement would have a 10-year retirement plan vesting period; and (4) employees accepting early retirement packages would be unable to return to a covered employer for three years following termination.

NSEA Retirement Committee members for 2016-17 include: M.L. Lehman, ESU16, North Platte, chair; Roger Rea, Omaha, vice chair; Jenni Benson, Lincoln; Janis Elliot, Phil Kaldahl and Brad Wellmann, 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.