February 1, 2017

IN RE: Legislative Bill 548 (2017)

On January 18, 2017 Senator Lindstrom introduced into the Legislature LB548. This bill proposes to consolidate, beginning July 1, 2020, the Class V School Employees Retirement Plan (OSERS Plan) with the School Employees Retirement Plan of the State of Nebraska. LB548 as currently written would have OSERS Plan members who transfer to the State School Plan continue to receive the benefits provided under the OSERS Plan. Beginning July 1, 2020, Omaha Public School District (OPS) employees hired on or after that date will receive the same benefits as other members in the State School plan. LB548 will serve as a platform for exploratory discussions with the Senator, the Nebraska Retirement Systems Committee, the State Retirement System, OPS and OSERS with respect to when, if or how a merger takes place and how OSERS unfunded liability is addressed by OPS. Typically a transaction of this magnitude will require time and an in-depth study conducted by actuarial professionals to determine the associated costs, impact, and potential benefits of such a move.

A consolidation of two retirement systems is a complicated long term process and the OSERS Trustees fully recognize their fiduciary obligation to maintain a financially sound retirement plan for its membership. We will ensure the OSERS membership are kept informed with respect to the progression of LB548.

A complete copy of the bill as introduced on January 18, 2017 can be found here: LB548