

MEMORANDUM

TO: Personnel, Legislative and Public Affairs Subcommittee

SUBJECT: NARD 414(h) Retirement Contribution Resolution

DATE: July 5, 2024

FROM: John Winkler, General Manager

Since 2023 NRD Managers and the Nebraska Association of Resource District's Board of Directors (NARD) have been discussing changes in contribution levels to the 414(h) retirement plan in order to assist with employee recruitment and retention.

On May 20, 2024 the NRD Employee Benefits Committee voted unanimously to recommend the NRD managers and NARD Board approve an increase in employee contribution from 5.5% to 6.5% and the employer contribution from 6.0 to 7.0% effective January 1, 2025.

At the June 10, 2024, board meeting, the NARD Board approved a mandatory increase on employee contribution from 5.5% to 6.5% and employer contribution from 6.0% to 7.0% effective January 1, 2025.

Budget impact to the District in the 2024-25 transition year based on current employee numbers would increase the retirement budget by \$21,950. In the next budget year 2025-2026, the budget impact would be about \$45,500 and more likely a little less.

Attached is the local NRD Resolution for NRD boards to adopt and to finalize the changes with the NARD 414 (h) Retirement Plan.

Therefore, management recommends that the Personnel, Legislative and Public Affairs Subcommittee recommend to the Board of Directors that the attached resolution be adopted to amend the Employer Matching Conditions Section 26.B.e.1 and 27.A.c effective January 1, 2025 and direct the Board Chairman to execute said resolution on behalf of the Papio Missouri River Board of Directors.

NARD 414 (h) Contribution Resolution

WHEREAS, the contribution levels for the NARD 414(h) have not been changed since July 1, 2006; and

WHEREAS, the NRD managers and Nebraska Association of Resources Districts (NARD) Board representatives have been talking to local boards and local employees since August of 2023 about a possible change in contribution levels to assist with recruitment and retention of employees; and

WHEREAS, based on feedback from those conversations, on May 20, 2024, the NRD Employee Benefits Committee voted unanimously to recommend the NRD Managers and NARD Board approve an increase on employee contribution from 5.5% to 6.5% and employer contribution from 6.0% to 7.0% effective January 1, 2025; and

WHEREAS, on June 5, 2024, the NRD Managers voted 21-1-1 to request the NARD Board approve an increase on employee contribution from 5.5% to 6.5% and employer contribution from 6.0% to 7.0% effective January 1, 2025; and

THEREFORE, LET IT BE RESOLVED, that the following Mandatory Employee Contributions Section 30.c, of the Nebraska Association of Resources Districts 414(h) Plan is to be amended as follows:

30.c. An Eligible Employee must contribute to the Plan 6.5% (not to exceed 25% of Compensation. Effective January 1, 2025.


THEREFORE, LET IT BE RESOLVED, that the following Employer Matching Conditions Section 26.B.e.1 and 27.A.c of the Nebraska Association of Resources Districts 414(h) Plan is to be amended as follows:

26.B.e.1 Fixed – uniform rate/amount. The Employer will make matching contributions equal to 100% of the Participant’s “matched Employee contributions” that do not exceed 7.0% of a Participant’s Compensation. Effective January 1, 2025.

27.A.c 7% of Compensation.

RESOLVED, that the undersigned is hereby authorized to execute, on behalf of the Employer, all documents necessary to effect the changes authorized herein.

Such resolution was approved by the NARD Board of Directors on June 10, 2024.


Martin Graff, NARD President

Such resolution was approved by the _____ NRD Board of Directors on _____.

NRD Board Chair