

program formula is set up where you take the number of years of service times the average of the best five highest years of earning, times 1.25% in order to arrive at the final average compensation. LB 248 proposes to use the three highest years of earnings rather than five. Really a modest change keeping the retirees abreast of inflation. I would like to give you an example. Let's say that we had a teacher who started in 1967 and who will retire 25 years later in 1992. The increase in retirement would be a modest \$26.05 monthly or a total per year increase of \$312.50. The committee amendment would increase the state contribution to the service annuity and originally this was part of the original teacher retirement program and many teachers that retired before 1968 retired on that annuity program. For the retired teacher, who retired before 1967, it would increase the state's contribution to the annuity plan by 50¢. In other words the state would be giving the retired teacher \$3.50 per month per year of service. In terms of how it would affect that teacher it would be an increase of about \$20 per month. For these older retired teachers I would just like to cite a letter to this body that, as I was browsing through my mail, today, I felt that it was very appropriate. It is written from Mary Hoagland from Hastings, Nebraska. "Dear Senator: We appreciate your sponsoring LB 248. I taught school in Nebraska for 42 years. My retirement check is \$156.08 a month. This bill, if passed, would increase my check by about \$20 per month which would be greatly appreciated. My \$156 does not pay the rent, let alone the utility bills. I need every dollar increase that I can get. Please do your utmost to see that this bill is passed." The retirement program is sort of like a three legged stool, each leg representing a portion of the contribution of the entire program. The teachers bear the, teachers, custodians, the employees bear the brunt of the expense by paying in 3½% of their salary per year towards retirement. The state has been kicking in \$3.00 a month. Then the school boards are asked to fund the difference and the difference is set by an actuary. Just in closing I would like to remind the body that LB 248 was advanced from committee without opposition. It was heard in committee without opposition. The Lincoln School Board has just endorsed the proposed changes in this bill and also I would like to remind you that there has been no amendments to the retirement system since 1975 that we have gone through several years of high inflation. With that I would ask this body to advance LB 248. Thank you Mr. Speaker.

SPEAKER MARVEL: Senator Remmers.