

class city firefighter who terminates his or her employment for reasons other than death or disability and who has ten years or more of service, may receive a lump sum return to his or her contributions to the retirement plan and receive a deferred annuity to begin at age 55 based on 50 percent of his salary at the time of termination multiplied by the ratio of his years of service to 21 years. For example, fifteen twenty-firsts, seventeen twenty-firsts, and the like, but in no event shall the ratio exceed one. The bill is in accord with the principle of 14 of the Nebraska Retirement System Committee principles in sound retirement planning, except that the vesting occurs after ten years rather than after five years in the principle. We will proceed with this and Senator Fowler, Chairman of the Committee, may have some explanation that he wants to give.

PRESIDENT: Senator Fowler, do you want to merely add by way of explanation of the bill, yes.

SENATOR FOWLER: Yes. Well, there are two handouts on everybody's desk that were put out to explain the bill, and I can go into those in greater depth as we go through the debate on the different motions. One of the handouts was prepared by Charlie Noren, representing the firefighters. The other is a handout from the actuary for the Retirement Committee. I think Senator Rumery has indicated that essentially the issue before us deals with first class city police and fire, a system established in the Nebraska statutes by this Legislature, that deals with the question of when someone, for whatever reasons, leaves employment prior to retirement for reasons other than death or disability, what happens to the money that has been contributed to the retirement plan, or whether that employee will be able to take those dollars that were contributed plus 5 percent interest and be able to utilize that to set up and continue a retirement program. That is the issue, whether or not people that are forced to contribute to a retirement plan when they have to terminate for whatever reasons, should be able to get their money and the 5 percent interest, not any sort of complicated interest formula, a very low interest number, whether they get the use of their own resources or whether or not a municipality can utilize that money that the employee contributed to basically provide interest income to the retirement fund that is the exclusive use of the municipality. That is kind of a...it is a question of equity. The bill as before you represents the basic guiding principles of the Retirement Committee in this area. In fact, this bill