

February 1, 1982

LB 387

on the other bill and you will hear a recommendation from us, but they are really not that closely linked as issues.

PRESIDENT: The Chair recognizes Senator Cope.

SENATOR COPE: Mr. President and members, a question of Senator Fowler.

PRESIDENT: Senator Fowler, will you respond?

SENATOR COPE: I think I understand pretty well the 5 percent, the interest and that part of it, I could certainly go along. Now would you go over once more the other benefits if other than...the person who leaves the employ of the city takes it in a lump sum, that part I understand. But if he doesn't, exactly what happens?

SENATOR FOWLER: Okay, the other...okay, the bill changes only one other aspect of the pension system. The rest, I could get the chart and read over all the different benefits but no way does 387 change any of the other benefits, other than an employee after 10 years of service if they elect not to take their contribution plus interest, then they are able to leave the money there and get a pension based on those years of service. And again that is standard practice that in a certain number of years you can earn the right to a deferred pension, and that is the only other thing it establishes that after 10 years of service you have the option of taking the money with interest or getting a deferred pension. Below 10 years all you can do is take your money with interest, but it doesn't change any of the other benefits and provisions, and if you want, I can get a sheet and run down all those.

SENATOR COPE: No, that is...but I guess that is the part that bothers me, is the second alternative. Now taking the cash, I can buy that, but looking into the future there is a lot of cities today, Chicago, New York, a lot of big cities that have gotten themselves in big problems because of the fact that people are living longer, inflation, and I would tend to think that this could happen on this second alternative. Now if a person stays on duty, then I think they should have a pension, but when they work so many years and move onto somewhere else, I just can't see the reasoning there. I think, and I am not that familiar with the bill that is being presented by the municipalities, but I think that it does give us a basis of taking care of all the policemen and firemen in years to come on a much more equitable basis and probably a safer basis for them than the basis that we are working on now. So I oppose 387.