

employees, it is a defined benefit plan. Considerable difference, they are guaranteed a certain amount of money. In a defined contribution, the employee has to take what that account earns. Some of them, as I pointed out, do not have a lot of money in it, and if it was split down, I had the same reservations last fall in committee, but if it was split, they actually would...you know, it is easier to piddle away a small amount of money than it is to put a large amount of money away, and that would be an option to the employees. And as I said, the key is that is that investment return that provides the retirement benefits for state and county employees, they need to at this day maximize their investment any way that they possibly can. I think all of you know with the interest rates down as they are such today, purchase...forcing an employee to purchase an annuity at this very low rate would not make a very good retirement system for our employees. And particularly as Senator Wesely mentioned, that we do have an amendment coming for county employees to put them under the same system, and the county employees haven't been under that long and their pay is not that good. So it would simply...would not amount to much. In fact, the average county employee balance in there now is only \$8,281. So that is not going to take you too far. It will grow for them. Whose money is it? Probably the best way to look at it is it's an investment account and the state contributes and the employees contribute the contributions. And the argument is whether or not they count as a retirement account or savings. The investment is to be used for retirement, which brings us to the next point, how will the money be spent. One of the overriding concerns during the discussion of LB 543 was how the lump sum would be spent; an entire amount, as I say, would they take it out and buy a boat or whatever, but I think retirees today are very aware that there is not a lot of money coming back in. Also, the difference is, is that, as I said, spent in smaller increments, sometimes it is easier to go out and just spend a small amount than if you had a large amount to put away. Also, if there is a concern of the body, I am prepared to offer an amendment that a member who chooses to receive the entire amount of his or her employee and employer accounts in a lump sum shall, upon receiving payment, have his or her account closed and shall have no further right, interest, or claim to any benefit from the Nebraska State Employees Retirement System, and no right, interest or claim on the State of Nebraska. One of the things is the flexibility. There are a wide range of options now available to an employee. If we take that option...