

allow for some more creative investment, things like that. But to, basically, say after all these years, we are going to write you a check for the lump sum, I need to be ready to say it is not a retirement plan. It is a mandated savings plan that we and the taxpayers of the state are contributing to, and no longer call it a retirement plan. That is really not what it is anymore. It is a mandated, contributed to state savings plan. And as long as the concept is a retirement plan, I think we need to make sure that there is continuous payment there over time. I think the step forward to 51 percent is a step forward, just that. At this point in time, I am not willing to go to the full 100 percent lump sum payment.

SPEAKER BAACK: Thank you, Senator Moore. Senator Elmer.

SENATOR ELMER: Thank you, Senator Baack. Senator Moore, you make a good point. It is a combination of many things. The very best thing about this type of a plan, whether you call it an employee benefit plan, employee savings plan, or an employment savings/retirement plan, whatever. The very best thing about the defined contribution programs, they are never with an unfunded liability. Secondly, the employee, by federal law, must be paid every penny that is in his name or his heirs must be paid every penny that is in his name at some period in time. And we all recognize that there are many, many plans that are available for that employee to opt into. One of the best features of the defined contribution plans is if a change of employment is made with this kind of an option, the employee can take his contribution and whatever has been vested in him by the time of employment, can move that into a new or a different retirement plan with no tax consequences and continue it under a new employer in a new system. And one of the things I would like to see happen over a period of time, I realize it'd take many years, is to see every state-sponsored retirement plan worked and changed into a defined contribution. The employees like it. It is great for the state because there is never an actuarial impact. There is never an unfunded liability. Thank you.

SPEAKER BAACK: Thank you, Senator Elmer. Senator Pirsch.

SENATOR PIRSCH: Thank you, Mr. Speaker. I listened to Senator Moore's explanation and it does sound very much like a 401K savings plan that many businesses have, and I haven't really made up my mind on this but, Senator Moore, would you yield to a