

month difference in their retirement; the lower paid employees, not.

SENATOR PIRSCH: If they do not retire from state service, if they pull out or quit or are fired before their retirement, then what kind of a percentage do they receive?

SENATOR NELSON: I believe they have to be vested. I am not a state employee but I think they have to be vested, I believe for ten years, and then the money is in the retirement until they retire, but I could stand to be corrected on that.

SENATOR PIRSCH: So, in other words, after you have been employed for ten years, then that money that the state has contributed, the 101 percent of what you have invested, becomes yours, whether you retire or not?

SENATOR NELSON: After five years, I said ten. It is five years, Doug said.

SENATOR PIRSCH: After five years?

SENATOR NELSON: Yes, and it is 156 percent, state contribution.

SENATOR PIRSCH: So, this then really isn't just a retirement plan.

SENATOR NELSON: No, it's...

SENATOR PIRSCH: The state gives you a portion of it after you have been an employee. This really is a savings plan then, is it not?

SENATOR NELSON: It's investment...invested for the state employee. As Senator Elmer has said, you know, a number of times, it is not a defined benefit, in other words, like the judges or the school teachers. They are going to receive a formula, so much a month, depending on their...but the defined contribution, which is similar to a 401K, whatever investments you make and what interest...

SPEAKER BAACK: One minute.

SENATOR NELSON: ...you get is their retirement.