

SPEAKER WITHEM: Senator Lynch. Senator Beutler.

SENATOR BEUTLER: Senator Withem, members of the Legislature, I hope I was able to express to you how that addition of the state's service annuity adds to the overall consequence of the OPS formula because I wanted to bring your attention to the final annuity factor over there as it works out in real life. It's 1.81. It varies a little bit with salary levels because of the nature of the flat fee of the service annuity. If you're interested, on the back side of this you can see how that fluctuates with the salary level for OPS and for the others statewide teachers system and for the salary levels that are typical it is 1.91, 1.84, 1.81, 1.79. The annuity factor, the practical annuity factor for the OPS system is at roughly 1.80 right now. If you change the other system to 1.80 without changing OPS, then you have equated the two systems as I understand it and I would like to ask Senator Wickersham to explain why that's not so on his own time. In any event, another, another thing I wanted to bring to your attention and I know you're probably like me when these big booklets come out, golly, you think another big booklet, I can't possibly digest this and one came out on the retirement system not too long ago which restated some principles that I know Senator Fowler and Senator Wesely and after him Senator Horgan all worked on very hard to establish some uniform principles which we would follow in trying to provide equity for all of our various retirement systems and they're called the General Principles of Sound Retirement Planning. I passed out those to you in case you didn't look at them as I had not because it seemed to me that it set forth a number, it really kind of orients you towards the policy decisions that need to be made. And one of those planning principles is this, number 9. For an employee who completes a period of service considered to be a normal career, the retirement system benefit and the primary social security benefit, remember we're dealing with people here who also have a social security benefit, together should provide sufficient income to the employee to maintain the same standard of living that was enjoyed during the year immediately preceding retirement. I believe in that principle by the way. I adhere to that. I will support that. And then it goes on to say the period of service that constitutes the normal career may vary by retirement system, but the employer should not be obliged to provide full benefits to an employee hired within a short period of time before normal retirement age. We'll come back to that one because I believe that principle is also violated. But then