

January 9, 1996 LB 700

SENATOR WITEK: ..within the system.

SENATOR WICKERSHAM: ..would be employed on the effective date of the COLA you would be committed to continuing that benefit for them. If you...

SENATOR WITEK: And how many people are we talking about approximately at this time?

SENATOR WICKERSHAM: About 33,000.

SENATOR WITEK: Thirty-three thousand people. And if I read the summary of 700 it also says that this COLA would kick in after those individuals' retirement benefits fall below 50 percent of their value at the date of retirement,...

SENATOR WICKERSHAM: No.

SENATOR WITEK: ..which would be approximately, if...if they fell, for example, inflation was 5 percent a year, it would be about 10 years before they would kick in.

SENATOR WICKERSHAM: No, no, Senator, that's incorrect. That is the way the bill was introduced. That's what we thought we could pay for at that time. The amendment provides for a delayed COLA at a fixed amount. It has nothing...

SENATOR WITEK: Okay.

SENATOR WICKERSHAM: ..to do with any restoration of purchasing power goal.

SENATOR WITEK: So it wouldn't be adjusted for inflation at all, that this new COLA wouldn't be.

SENATOR WICKERSHAM: No.

SENATOR WITEK: It would never come above costing the state 7 million dollars or 6.8 million dollars a year (inaudible).

SENATOR WICKERSHAM: The actuary advises us that we can expect that funding level for 15 years.

SENATOR WITEK: And then after 15 years there's a possibility it