

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

February 3, 2005 LB 329

equation is their salary at time of departure. And what we detected was happening, what was...what has come to us as a problem, Senator Louden, was that these inducements were being calculated as part of their compensation, and thus would artificially inflate their retirement benefits and retirement, because they're under the defined benefit plan. And by doing...by these school districts providing this inducement for an early retirement, and by having it as part of their compensation plan, it would artificially inflate, if you will, their retirement benefit. And I would welcome Senator Stuhr to correct that if I'm wrong. But that was my understanding, as we went through this bill in the interim study. The retirement inducements are brought on by the school district. It's done--and maybe Senator Raikes can have some comment relative to this--the inducements are done, Senator Louden, so the district saves money, so that...if you have a teacher or administrator that is close to retirement age, theoretically, they are those within your school district that get paid the most money, because of their time of service. And the inducements are done, in--as you look at it from a universal view--are done as a means or a tool, a tool for the school district to save money. Again, I just want to thank Senator Stuhr for bringing this. This has been an ongoing issue that has been taken up by the Retirement Committee. This seems, I think, a good attempt to remedy some of the problems relative to, if you will, artificial or enhanced compensation at the end of a career which brought about enhanced retirement benefits, which was a problem in terms of the balances of these retirement plans. Thank you, and I'll give back the rest of my time to Senator Janssen. Thank you.

SENATOR JANSSEN: Thank you, Senator Synowiecki. Senator McDonald.

SENATOR McDONALD: Mr. President and members of the body, I'd like to ask Senator Stuhr a question.

SENATOR STUHR: Thank you. Yes.

SENATOR McDONALD: Is this money deposited annually? Or is it at time of retirement? When is this annuity purchased?