

has said. However, I would like to go back and explain further my position with regard to the annuity factor so that you understand also that the annuity factor as described for the Omaha Public School System overall does not have the same effect as the annuity factor for the state system. And not only then are they jumping up ahead significantly of the state system annuity factor, but in fact at 1.70 they are already ahead of the state system at 1.73 and let me tell you what I mean. I've passed out another chart to you that helps you follow along and you really do need to kind of follow along because it involves another concept called the service annuity. This is a concept separate and aside from, as I understand it, the annuity factor. Okay. And if you look at the OPS, the actual OPS Retirement System you can see the current system as opposed to the proposed system at 1.70 versus 1.80. Now if you follow along the current line you'll see it's the monthly computation, the last year's wage or the last two or three year's wage whichever way they're doing it, times the years of service, times 1.70 under the current system and that gives you a benefit value. Okay? Now, in addition to that benefit value there is in fact state money that goes into the Omaha system. There are at least two kinds of state money that goes into the Omaha system. One type of state money is a percentage of payroll, a flat out percentage of payroll, and another kind of money that goes into it is this thing called the service annuity. And between the two of them I think it's around \$2 million of state money annually goes into the OPS system. So it's not quite correct to say it's all the OPS system because it's not and in fact, the way they use the service annuity tends to provide a greater benefit than what happens under the state retirement system and if you'll follow along with me a little bit more here I'll show you why. What is the service annuity? The service annuity is a flat out amount of money, \$42, and it's multiplied by the number of years of service. In most cases that will be 30 so what you have then is an annual stipend of about \$1,200 or so, a little bit more. That's the same for everybody whatever retirement system, or I should say at least the two teacher retirement systems, and it's a flat out figure. When you divide that by the number of months, then you get that figure of \$105 there. Now under the OPS system they add that \$105 to the benefit that they pay. It's in addition to the annuity factor. They add it so that the actual benefit as you see here under the current system using this \$48,000 a year salary...

SPEAKER WITHEM: One minute.