

SENATOR VENDITTE: Mr. Speaker and members of the Legislature, Senator Fowler, just as a matter of information, we have the Judges' Retirement System, we have the Teachers' Retirement System, is that correct?

SENATOR FOWLER: Right, there is several systems, right.

SENATOR VENDITTE: Okay, let's assume that a judge...is it set by statute how much a judge must put into that retirement system each month?

SENATOR FOWLER: There are contribution requirements, right, and then formulas for matching of that...

SENATOR VENDITTE: By the state?

SENATOR FOWLER: Right.

SENATOR VENDITTE: What happens to that money then? It goes into the retirement system. Is that correct?

SENATOR FOWLER: Correct.

SENATOR VENDITTE: And subsequent to it going into that fund, where does it go?

SENATOR FOWLER: Depending on the fund and I can't remember all of them. Some is invested through private insurance carriers and some of the funds are invested by the State Investment Council.

SENATOR VENDITTE: Senator Fowler, then why is it that judges and others who are in this state retirement system are getting such a low rate of interest on the money that they put into that particular system? Now it is my understanding and I do stand to be corrected, that there are some who are in this particular system whose rate of interest is less than 3.5% and...well that is my question. Why is...?

SENATOR FOWLER: Yes, Senator Venditte, the Retirement Committee is developing a study of retirement systems and one of the questions that has come to us quite a bit is the one that you have just phrased, can't we get a better rate of return? That is something I can't answer right now and I think it is going to take some analysis but we hope by next year to come back and say, either people are getting a satisfactory rate of return or they are not and if not, then what can be done about it.