

retirement. But it is a reduced benefit, it is not a full benefit, because we recognize that if you retire earlier, you live longer, you spread it out over a period of time and you get no subsidization. And I think that is important. Now that is what we've had. What we have in the bill now is the Rule of 90, and that is the top of the sheet. You'll see on that that that is 100 percent retirement. You get a full benefit whether you retire at 65 or 60, all the benefits, and that means you get a heavy subsidy to do that because you don't pay in enough to cover the benefits you get. That is what we have now in the bill. Now Senator Pappas is going to propose a 3 percent a year reduction and that will go down 3 percent a year, down to 60. You'll see that that isn't a whole lot different than what we have now in the bill, 3 percent a year is minuscule. It is not really much give and take on that point at all. It is such a minimal reduction that it is practically full benefit, in my estimation. Then what I am proposing is a sort of a compromise again, just like on the last one on the lump sum. I kind of split the difference between what the teachers are proposing and what that actuarial reduction is. We go down along the lines social security reduces. Now let me talk about that for a second. Social security now provides a full retirement benefit at 65. But they also provide, at 64, and 63, and 62, a reduced benefit, and that reduction is not a full reduction, an actuarially reduced reduction. It is a slightly better reduction than that. That example is what I followed in this amendment. We go down the same way the social security system does, 93 percent, 87 percent, 80 percent. At 62, if you retire on social security, you get 80 percent of the benefit that you would get if you retired at 65. So I'm saying the state employee...excuse me, the school employee retirement should have the same 80 percent level. It is good enough for social security, it ought to be good enough for our school employees. It is better than what they have now, but it is not nearly as good as what they want. Then I take it another step further and I allow subsidized retirement at 61 and 60, at 70 and 65 percent. So we give them even a little more than what social security would provide, a little more subsidy. When I say subsidy, I want to make that clear that this is a subsidy. You cannot allow an early retirement without actuarially reducing the benefit, without some additional cost to subsidize that additional expense. Now how much is this subsidy going to amount for under the Pappas compromise? Now remember the Pappas compromise is supposed