

3 percent, you'll see that that really doesn't end up, even after 5 years, reducing the benefit much of anything, only down 15 percent after 5 years. It is almost full retirement benefit. Anything above the actuarial reduction line, which is the bottom line on that chart, is subsidized. That is money that is not paid in, it is more of a benefit than is paid for, and that means additional cost. So I am telling you that anything above an actuarial reduction does cost money, and must be accounted for. The social security reduction is the next best thing to that, it is the least increase over the actuarial reduction. The next highest line is the one that I am proposing now, and that is basically a pretty reasonable benefit for the first 3 years that we are talking about, 62, 63, 64. That is a pretty fine plan, I think. But it dips heavily after that, down to 75 and 65. I think there is a good reason for that. If you look at the second page of that chart, it has what you actually end up in terms of benefits as a school employee. It shows you what the full actuarial reduction provides, in terms of a benefit, and what the 3 percent provides, and then what this amendment would provide. The 3 percent is obviously much better toward the earlier years than a full actuarial reduction. This graded percentage is not quite as good, but it is still generous. But what happens is, if you'll look at that, at 60 and 61 it is virtually impossible, except in very rare cases, to make an early retirement very attractive because social security is not available to 60 and 61-year olds, it just isn't, you have to be at least 62. So we are going beyond what the social security system feels is prudent. They only allow you to be 62, and at that they provide an 80 percent benefit, and we are providing, under my plan, 85 percent. So we are doing better than what they are proposing. But after that we do go down to 61 and 60, but we dip down dramatically. The reason is I don't think we want to be encouraging 60 and 61-year olds to retire unless circumstances are so advantageous that they feel they want to go ahead with it, because they don't get social security, it is a serious problem; they don't get the health insurance benefits, although the plan the teachers have does provide for after retirement they can continue that. But, nevertheless, it is really very rare that you are going to find somebody with the financial stability to be able to retire at 60, 61. So you are really talking, in early retirement, 62 and older. Under that plan we are doing pretty good by this amendment. But under the 60 and 61-year olds, they take a pretty severe