

increase the cost to the state at all. Correct?

SENATOR PAPPAS: Yes.

SENATOR LUNDY: Thank you. I think that in any retirement systems that we have in the future, and today even, I think it's well that we keep these things in mind because we continue to add burdens to the State Retirement Fund in changing these one little bit. I believe it's very essential that on any retirement system that, of course a better system is to have a defined contribution system rather than a defined benefit system, and these defined benefit systems can cost you and cost you and cost you. So I think it behooves all of us to watch these very carefully and to continue to watch them. I see some danger signs along the line, along the road if these aren't continually watched by the State Legislature. Thank you, Mr. President.

PRESIDENT: Senator Nelson.

SENATOR NELSON: Mr. Speaker, members of the body, I'm not an expert on this. I have done just a little bit of work and maybe I could help Senator Lundy and Senator Pappas out. The 108 percent is due to drop the end of this fiscal year July 1 and then through the current program funding, it drops to 101 percent. By this bill it is figured to be still the 101 percent, but I might also warn you that if this is not actuarially sound, and that the number of people taking the pensions and also taking consideration, I think Omaha 7.5 percent increase in teachers salaries; Lincoln 5.5; 6.8 in my area that will gradually happen and by statute the state is set at the 5.4 as Senator Pappas is asking for and it has to be uniform throughout the state in the contribution, but the state's share, or the school district's share could go to 108, 115, 120 as your first example. If it is not actuarially sound. It has to be by state law by year 2006, 25 years from 1981 is how that is set. So I'll just, will clarify you that there is that possibility. That's all I had to add.

PRESIDENT: Very well, thank you, Senator Nelson. Is there further discussion on the Pappas amendment? You may close, Senator Pappas.

SENATOR PAPPAS: Just ask for the adoption of the amendment.