

be changed. The committee amendments, we amended for various reasons, but we amended to allow the employee to take not only his portion, which was approximately 39 percent, in most cases, to 51 percent. The reason of that being is that they then could roll it over into an IRA or would not be penalized if they were under age 59 1/2 for not taking at least 50 percent. The penalty was quite high. The committee amendments, we both, all of us in the committee, had somewhat reservations. Is it a retirement plan? Is it a pension plan? Is it a savings plan? And so we were comfortable with the 51 percent figure. Since that time, I will have to say I have done a lot of studying. The interest rate has dropped considerably. The opportunities taxwise and annuitywise has changed since we filed the original amendments last March, and it seems right now it is more feasible to allow that employee to take his full pension at this time. And I believe before I get too bogged down on the committee amendments, I will ask for the body to reject the committee amendments, and then we will go to the main bill. With the committee amendments rejected, then we are back to the bill, which would then give the employee the opportunity to take the full retirement. The way it was is some of them did not have a lot of money into the retirement account. I think it averages about 48, 49 thousand for the average state employee, but to only take 50 percent of that, and the state then offer, there are about eight options to purchase annuity, didn't leave the employee a lot of opportunities. The ones that had a larger sum into the retirement, the longtime state employees, and with a considerable amount of money, it also is a big advantage to them income taxwise or taxwise to be able to control their annuity or their fund in any way that they want to do, roll it over to an IRA or put it out in stocks and bonds, or however they want to do it. So it appeared that the 51 percent amendment was not wise, and it would save the state maybe some money because they would not be in charge of any annuity or having to pay, and that employee then would be able to control his own or her own amount of money. So with that, I will get to the provisions of the bill, but first I will ask the body to reject the committee amendments.

SPEAKER BAACK: Thank you, Senator Nelson. Discussion on the committee amendments. Just one second. Senator Nelson.

SENATOR NELSON: In case there is some confusion, where it may be when I said to reject the committee amendments, put your finger on the red button, please.