2. Service annuity rights are computed separately from savings annuity rights. Service annuity rights are based upon service rendered as determined by years of service and salaries earned. Savings annuity rights are based upon the teacher's individual contributions from salary.

All three bills follow the well established American principle that retirement costs should be borne approximately 50-50 by the employer, that is the state and by the school employees.

Teachers should not confuse retirement with relief. Retirement is a form of insurance for which the teacher must expect to help pay while she earns. The cost to teachers, the benefits to teachers, and the obligation of the state will be low or high in the same degree as salaries are low or high and tenure is long or short. Kansas school teachers generally have short tenures and low salaries, and will pay only modest amounts and receive in return only modest annuities. If the state is to recognize all on equal and democratic terms, it cannot pay out too generously to any one person or group.

Insofar as conditions of school employment in Kansas justify, these bills follow the general retirement principles so widely established by the National Social Security Act. Should any provision of the 1941 bill seem to you to be strange or unprecedented, find out if it is not in harmony with the national social security program which applies to forty some millions of enrolled wage earners.

How the 1941 Bill Differs From Former Ones

The 1941 or Council Bill differs from its predecessors in some notable, but relatively less important details.

The 1939 bill provided for financing retirement annuity payments through cash disbursements. The teachers and the state were to share current retirement costs on a fifty-fifty basis. All that the teachers would have paid in under the 1939 bill was to be used to pay current annuities, and in return the teachers were to receive credit reserves, not savings reserves. This plan was rejected by the Legislative Council in the spring of 1940 and a new retirement bill (The Beatty 1940 Bill) was drawn up, incorporating reserves for the teachers, but cash disbursement for the state. From the Legislative Council came the decision to use savings account reserves for the teachers' contributions from salary, instead of pay-as-you-go assessments. Under the 1941 bill the state alone will meet the cost of service annuities on a pay-as-you-go basis. Each teacher's contribution under the 1941 bill will remain always her individual property, all of which will eventually return to her or to her estate. The teacher contributes nothing to the state except service; and the state contributes to the teacher a deferred payment for service when she is retired.

The 1941 bill assesses a permanent levy of 4% upon monthly salaries of all school employees, except those now covered by local retirement systems. The 1939 bill, on the other hand, set a maximum levy of 4% and made possible lower levies in the early years of operation. Each plan has its advantages. The 1941 plan is probably fairer to the teachers of later years. It also permits a more definite method of protecting the individual savings of the teacher. It protects the state from some danger of the possible pyramiding of costs in later years.