

## SF950/HF407

- I retired on June 2, 2018 after over 31 years working for the state (24 at the House of Representatives and over 7 at Labor and Industry). Five weeks later I was sent a benefit award letter by MSRS which cut my benefit by nearly 10%.
- Prior to retiring I had requested a personal estimate from MSRS of my pension benefit. That was prepared in November 17, 2017 for retirement dates in January, February and March 2018.
- I also checked the estimate against the MSRS online pension calculator (which I checked routinely for years) and the numbers agreed. So, I relied on that for choosing my June 2018 retirement date and thought I had a pretty clear idea of what to expect. I delayed retirement until June as requested by DLI management expecting my benefit would exceed the estimates.
- I applied on April 4, 2018, for my pension, after I called the MSRS telephone information line and asked if I had all the information, they could give me? I told them I had the estimate; I told them I had used the online calculator; I asked if they could help further? Should I come in? They said "no" I had all the information they could give me.
- I was totally astounded by the numbers sent me representing nearly a 10% cut, on July 5. I called MSRS to talk to the person whose name was on the letter. She said she would look into it and said she would get back to me and commented, "you didn't get an estimate, did you?" To which I replied I had it in my hand. She later left a voice message saying her benefit determination was "correct."
- I wrote requesting an explanation in writing and learned then how this estimate error occurred. The wrong formula was used to calculate the estimates and that formula was misapplied.
- I appealed, to the MSRS Executive Director who affirmed the benefit award, **saying that the estimates had been a mistake and apologizing for that mistake**, but going on to say as a fiduciary she had no authority to award a larger amount. I appealed that. Judge Eric Lipman at the Office of Administrative Hearings was assigned to do a fact-finding hearing
- I went to look at my MSRS file prior to the hearing, and asked the staff person why I had not been sent a 2017 or 2018 Annual benefit statement like I had for prior years? I was told then, those were not sent because the last one dated May 31, 2016, was wrong. Someone didn't want to send out additional inaccurate statements. I had taken that Statement to a financial planner who I paid for an analysis for me of my financial readiness to retire as of January 2017.
- Judge Lipman in his Findings affirmed the Executive Director's determination that the law did not allow an increase in my benefit, then wrote "**MSRS's conduct in this case is very troubling**" and wrote further.....
- **"None of this is to say that MSRS's conduct in this case is a model of good government. It is not. The fact that agency officials knew that the MSRS pension benefit calculator was generating incorrect estimates in some cases and did not disable the calculator or otherwise warn visitors to the website of the known hazards beggars description. It also belies the agency's marketing claims that it serves plan members as their "foundation for retirement." Not so in Mr. Musielewicz's case. Agency officials knew of a gaping hole in the foundation of the plan members and did not make significant efforts to warn others of the hazard. Even if it does not have the authority to provide monetary relief to Mr. Musielewicz, MSRS can act to protect others from similar harms. And it should."**
- MSRS had a July 2020 hearing and adopted a recommendation that they support my proposed bill and that Ms. Leonard actively help develop language to address my situation. (by David Musielewicz)