

November 24, 2013

3125 Tecumseh River Rd
Lansing, MI 48906

John E. Nixon, Director
Department of Technology, Management & Budget
George W. Romney Building
111 South Capitol Avenue
Lansing, MI 48933

Dear Mr. Nixon,

This is *not* a Freedom of Information Act request.

All I want is assurance that no more supplemental or 13th checks go to state and MPSERS retirees, along with an explanation of why there is no possibility of that happening.

The supplemental payments are made when retirement fund earnings over the past year exceed 8% and the excess is more than enough to pay for annual COLA increases. Apparently, that has not happened since 2002, when \$16,574,185 was distributed to MPSERS retirees.

I suspect the reason no further distributions have been made is that the cost of the COLA has grown as retiree population and average pension amount has increased, and investment earnings have not exceeded 8% so much that there was anything left over after the COLAs were paid.

That doesn't mean it couldn't happen. S&P 500 earnings are expected to exceed 25% this year.

The distribution provision is still state law, Section 38.20g of the State Employees' Retirement Act and Section 38.1404a of the Public School Employees Retirement Act.

My recent FOIA requests have failed to get me any information other than rates of return on the two pension funds over the years.

My interest in this matter goes back to 2007, when I obtained the following information on the payments:

	MPSERS	SERS
1982	20,181,937	8,799,963
1983	27,635,519	11,701,708
1984	18,812,744	9,550,868
1985	12,402,714	11,045,319
1986	173,791,208	65,006,434
1987	236,993,278	75,214,272
1989	28,088,593	15,488,627
1990	1,224,050	134,184
1996	58,800,478	15,234,884
1997	6,228,619	24,832,674
1998	5,992,263	0
1999	9,406,311	678,314
2000	11,464,638	435,904
2001	13,799,341	378,467
2002	16,574,185	0
Totals:	\$641,395,878	\$238,501,631

If you have any questions, you may reach me by phone at 517-505-2696 or by email at stevenrharry@gmail.com.

Very truly yours,

Steven R. Harry