



STATE OF WISCONSIN
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HONORABLE DUEY STROEBEL
ROOM 18 SOUTH
STATE CAPITOL
MADISON, WI 53707

Dear Senator Stroebel:

I read your recent interview with *The Wheeler Report* regarding your proposed legislation (SB 328, SB 329) affecting the Wisconsin Retirement System.

It's clear that you have spent considerable time thinking about the WRS. I appreciate you securing an actuarial analysis of your proposed bills and your desire to minimize the impact of the bills on employees nearing retirement. However, I think a few things should be clarified.

First, the WRS does not have a "solvency" issue, and if it did, these bills would do little to address it. The WRS is well funded and in a position to pay promised benefits.

Second, the State did not borrow money to "backfill" the WRS. The WRS was well funded prior to the State paying off its benefits liability and remains so today.

Lastly, while the bills may somewhat reduce contribution rates for public employees and employers, they do so by reducing benefits of current employees and in a way that may not be equitable.

The bills may also present unintended workforce challenges. As an example, we would anticipate seeing another large wave of retirements as the applicability date for SB 328 nears. Over the next five years, about 40% of the current workforce will be eligible to retire and SB 328 may lead many of them to do so sooner than they ordinarily would.

The actuary acknowledged these and other issues with the bills, which should be addressed.

I look forward to working with you to ensure that the WRS remains strong and valuable for our members, employers and taxpayers.

Regards,

Robert J. Conlin
Secretary

cc: *The Wheeler Report*