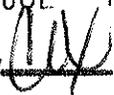


FILED
Court Administrator

July 5, 2011

JUL - 1 2011
By  Deputy

Honorable Justice Kathleen Blatz, Special Master
Minnesota Judicial Center, Room 230
25 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Re: 62-CV-11-5203, Temporary Funding of Core Functions of the State of Minnesota

Dear Justice Blatz:

I respectfully request that the Minnesota State Retirement System (MSRS) be allowed to pay retirement benefits to the retired Constitutional Officers and survivors in the Elective State Officers Plan until the fiscal year 2012 appropriations have been enacted. Constitutional Officers are not covered by Social Security and MSRS may be providing their sole source of retirement income. I believe it is an essential function to pay monthly benefits to retirees and survivors who rely on MSRS to provide a critical source of their income. Payment of these benefits would be consistent with Chief Judge Kathleen Gearin's Order, Finding of Facts 27, (3) "provision of benefit payments and medical services to individuals."

The Minnesota State Retirement System pays benefits to over 30,000 benefit recipients. MSRS was able to pay most of its retirees their July 1, 2011, benefits since MSRS does not rely on state appropriations from the legislature. MSRS will remain open during the state shutdown because both benefits and MSRS' administration are funded by its pension trust funds, which include employer and employee contributions and investment earnings.

MSRS also administers the Elective State Officers Plan. Unlike MSRS' other plans, the Elective State Officers Plan is a pay-as-you-go plan that requires a general fund appropriation to pay benefits, including the July 1, 2011 payments. The Elective State Officers Plan covers 14 retired Constitutional Officers, including retired Governors, Lieutenant Governors, State Treasurers, Attorneys General, and Secretaries of State. The July 1, 2011 total gross monthly payment to these 14 Constitutional Officers and their survivors is \$37,899.34.

Many of the statutes governing the Elective State Officers Plan were repealed in 2006 because there were no active members in the plan. However, a savings clause in current law stating that: "[n]othing in this section, section 352C.091, subdivision 1, or Laws 2006, chapter 271, article 10, section 33, subdivision 2, is intended to reduce the benefits in effect as of June 30, 2006". One of the laws repealed in 2006, was Minn Stat. § 352C.01, subd. 6, which stated, "[p]ayment of retirement allowances. Retirement allowances payable pursuant to this section shall be paid monthly by the executive director of the Minnesota state retirement system." We were unable to pay the July 1, 2011, payments.

If you have any questions or would like additional information, please feel free to call me at 651-284-7888.

Respectfully,

David Bergstrom
Executive Director