

WISCONSIN COALITION OF ANNUITANTS

660 John Nolen Drive, Suite 300
Madison, Wisconsin 53713

November 27, 2009

Dear Senator Kohl:

The Wisconsin Coalition of Annuity (Coalition) is a consortium of groups representing over 146,500 retirees in the Wisconsin Retirement System (WRS). We are writing to ask your support of efforts to protect shareholders by reforming regulation of the financial markets.

Many of us worked during our employment years to assure the WRS was a strong pension fund able to provide financial security to public employees in retirement. And our work paid off as it is one of the best, if not the best, public pension fund in the nation. It is well-designed and administered, and our children are not responsible for paying our pensions. Contributions paid while we were working, plus investment earnings on those contributions, pay our benefits today.

Unlike other public pension plans, employees, employers and retirees share in the fund's investment earnings or losses. For many years, we benefited from the earnings but have incurred reductions to our monthly pension as a result of the 2008 global recession. We expect further reductions in coming years. A correction in the financial markets may have been inevitable, but we do not believe it would have been as severe and had as much impact on us and other retirees if the markets had been better regulated.

As a member of the Senate Banking, Housing and Urban Affairs Committee, we ask that you support provisions of the Restoring American Financial Stability Act that will restore integrity to and confidence in the markets. The following are some items that we believe are particularly important:

- Institutional shareholders such as the State of Wisconsin Investment Board, which manages and invests our WRS pensions, should have the ability to nominate directors to protect shareholders.
- The Securities and Exchange Commission should have the resources and authority it needs to regulate corporations and protect investors.
- Boards of directors should be independent and oversee management. A CEO of a company should typically not be allowed to also serve as chair of the board.
- Directors should be elected annually and by a majority vote of the shareholders voting.

We know there are several other items the committee will consider, and we support all efforts that will truly stabilize and restore confidence to the markets over the long term. No one, including retirees, can afford the effect of another 2008. Although the items we listed will not solve all the problems, we believe that enacting them will go a long way to correct some serious problems and prevent another global recession like the one we experienced.

Thank you for your support.

Sincerely,

James Palmer, Chair

ORGANIZATIONS IN THE WISCONSIN COALITION OF ANNUITANTS

*West Allis Retirees - DILHR Retirees - Epsilon Sigma Phi - AFSCME Retirees Chapter 7 - WI Professional Police Association Retired
DNR Retirees - Wisconsin Retired School District Administrators - Wisconsin Education Association Council Retired
UW Eau Claire Emeriti Faculty - UW Madison Retirement Association - UW Milwaukee Retired Faculty Association
Wisconsin State Attorneys Association - Association of Career Employees - SWIB Retirees - WFT/AFT Retirees
Retired Professional Fire Fighters of WI - Wisconsin Retired Corrections Personnel - State Engineering Association
DOT Retirees - Wauwatosa Employees Retirement Club - Wisconsin Retired Educators Association*