

Date: July 17, 2024
To: Board of Retirement
From: Doris L. Rentschler, Executive Director
Subject: Unrecovered Benefit Overpayments and Underpaid Contributions Report

Recommended Action:

No action required.

Fiscal and Financial Impacts:

There is no financial impact to receiving this report.

Strategic Plan Importance and Risk Assessment:

This report of uncovered overpayments or underpaid contributions is required by the Error Correction Policy and is not directly tied to a Strategic Plan Objective.

Background and Discussion:

Section V. of the Error Correction Policy required an annual report to the Board of the aggregate dollar amount of unrecovered benefit overpayments and contribution underpayments.

This report does not reflect amounts identified and disclosed as part of the Historical Benefit Review Project (HBRP) because unrecovered amounts associated with the correction project are regularly reported to the Board in the HBRP status report.

In FY 23-24, MCERA had no instances of overpaid benefits or contribution underpayments that were deemed unrecoverable.

Going forward should MCERA recognize a benefit overpayment as unrecoverable, MCERA could file a claim on its fiduciary insurance policy which provides sublimit coverage of up to \$100,000 for benefit overpayments.