



Milwaukee County Retirement Plan Services

Timothy Coyne, Director

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Date: May 14, 2019

To: Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

From: Timothy Coyne, Director, Retirement Plan Services

A handwritten signature in black ink that reads "Timothy D. Coyne".

Subject: Informational Report on implementation of pension ordinance amendment package (file 18-802), adopted by the County of Board of Supervisors on March 21, 2019 (signed by the County Executive on April 17, 2019)

File 18-802: "A resolution/ordinance to amend Section 201.24 of the Milwaukee County Code of General Ordinances regarding the Employees' Retirement System to improve the accuracy of benefit calculations, and to provide procedures to resolve payment errors."

Background

On March 21, 2019, the County Board of Supervisors adopted a resolution/ordinance to improve the accuracy of pension and survivor benefit calculations by providing for full month benefit payments (rather than partial month payments as has previously been the case). Full month pension and survivor benefits is a leading practice among public retirement systems. This is to be effective as of July 1, 2019 with all new retirement applications, including disability retirements, other benefit enhancements, and survivor benefits payable for deaths that occur on/or after July 1, 2019 being paid on the basis of a full month.

The resolution/ordinance also details procedures to resolve previous benefit errors with a specific process for resolving pension and/or survivor benefit overpayments reflected in the resolution/ordinance. The specific process provides for appropriate notification to members with identified pension and/or survivor benefit overpayments. The process detailed in the ordinance includes a hardship provision allowing those retirees and beneficiaries with identified overpayments to have the recoupment schedule tailored to account for the financial hardship a monthly recoupment may cause.

Finally, the resolution/ordinance stipulates that the interest payable on benefit error corrections shall be calculated at the annual rate of 5% simple interest.

Resolution/Ordinance Implementation

Through May 14, 2019, the Employees' Retirement System has taken the following steps to implement the provisions of the resolution/ordinance:

- Published communications on the ordinance and implementation timeframe to County Connect, the RPS website, *The RPS Pulse* (monthly digital active member newsletter), and provided handouts on implementation at small group retirement education sessions
- Developed and tested changes to the V3 pension administration system to provide for full month pension and survivor benefit payments
- Developed training materials and FAQs for RPS staff and provided briefing to Employee Relations and Human Resources Business Partners
- Collaborated with the Office of Corporation Counsel to develop communication materials to members with identified overpayments, including overpayment selection and hardship forms
- Determined that actual list of members with identified overpayments that are covered by the ordinance provisions is less than 100 members
- Worked with vendor to prepare for certified mailing to members with identified overpayments
- Developed process for handling returned repayment option forms, setting up recoupment plans, tracking ongoing recoupments, and reporting amounts to the County
- Built webpage specific to those members with identified overpayments with all pertinent details, including repayment option form and hardship, on the option selection and recoupment process as a resource for member
- Initiated project to revise member education materials to reflect full month benefit payments

Retirement Plan Services will continue to provide informational reports to the County Board of Supervisors through the implementation of the resolution/ordinance, as well as ongoing reporting on overpayment recoupments and any other benefit corrections.

Thank you.

Cc: Supervisor James Schmitt, Chairman, Finance and Audit Committee
Supervisor Eddie Cullen, Chairman, Personnel Committee
Chris Abele, County Executive
Julie Landry, Chief Human Resources Officer
Finance and Audit Committee
Personnel Committee
Kelly Bablitch, Chief of Staff, County Board
Raisa Koltun, Chief of Staff, Office of the County Executive
Teig Whaley-Smith, Director, Department of Administrative Services
Scott Manske, Comptroller
Jennifer Folliard Director of Audit, Office of the Comptroller
Steve Cady, Research and Policy Director, Office of the Comptroller