

December 11, 2013

Matthew Hanchek
Director of Benefits
Employees' Retirement System of the
County of Milwaukee
901 N. 9th St.
Milwaukee, WI 53233

RE: Actuary's Review of the Financial Impact of the Elimination of Vested Members' Ability to Request a Refund of Mandatory Contributions

Dear Matt:

The Milwaukee County Benefits Division has requested that Buck Consultants estimate the cost of eliminating the ability to request a refund of mandatory contributions by vested-terminated members.

We have determined that this change would have an immaterial impact on the Retirement system. This is not to say that there would be no cost to the County as a result of implementing this change. There will be a few members that will be impacted by this change. The low projected frequency of such refund requests combined with the lower benefits generally received by vested-terminated members results in our conclusion that the change is actuarially immaterial.

Basis for the Analysis

We have based this analysis on the data and methods used for the January 1, 2013 actuarial valuation with the actuarial assumptions adopted for 2013 by the ERS board as a result of the recommendations contained in Buck Consultants 5-year experience study. We have not updated the assumptions used for this analysis due to the low frequency of the benefits being triggered.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon present and proposed plan provisions that are outlined in the report. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the authors of this report prior to relying on information in the report.

The undersigned is a Member of the American Academy of Actuaries and meets the Academy's Qualification Standards to issue this Statement of Actuarial Opinion.

Please call if you have any questions.

Sincerely,



Larry Langer, FCA, ASA, EA, MAAA
Principal, Consulting Actuary

LL:pl

19150C8152RET01-Eliminate-Refund.docx

cc: Paul Wilkinson
Emily Urbaniak