



Milwaukee County
Department of Human Resources
INTER-OFFICE COMMUNICATION

Date: November 14, 2025

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Erika Bronikowski, Retirement Plan Services Director

Subject: Proposed Amendments for the ERS Pension Plan Regarding the Treatment of Ineligible to Eligible Employees Due to Promotions in light of 2023 WI Act 12

Background

The Employees' Retirement System of the County of Milwaukee ("ERS") is a tax-qualified retirement plan under the Internal Revenue Code ("Code"). In order to maintain its tax-qualified status, ERS must comply with Code requirements applicable to governmental plans, including being administered in accordance with the Plan document, which consists of Milwaukee County Ordinance section 201.24 and Appendix B. The Ordinance changes in this package are updates to the ERS Plan document in response to 2023 WI Act 12.

In 2023, the Milwaukee County Board of Supervisors adopted the local option sales tax permitted by 2023 WI Act 12, which requires that the County freeze ERS to new hires after December 31, 2024. In 2025, new hires have been enrolled in the Wisconsin Retirement System ("WRS"). This Ordinance package is intended to address issues that have arisen after the execution of the soft freeze of the ERS and the enrollment of County employees in the WRS.

Summary of Request

Retirement Plan Services ("RPS") is asking the County Board to consider Ordinance amendments that address situations that have arisen since the soft freeze of the ERS was effective December 31, 2024. During 2025, individuals who were employed by Milwaukee County but not in the ERS on December 31, 2024, have moved into full time positions (typically seasonal employees promoted to full time, permanent employees) that do not qualify for WRS coverage because they did not terminate employment and get hired in 2025. Milwaukee County Human Resources has confirmed that they would like these employees to have pension coverage.

To summarize, the proposed changes include permitting a limited population of full-time permanent employees to enter the ERS after December 31, 2024, provided they were employed by the County on December 31, 2024, and have not terminated employment.

RPS has worked with the Pension Board, Corporation Counsel, and external Counsel to the Pension Board and has consulted with the Comptroller's Office on these outlined pension changes to the Milwaukee County Code of General Ordinances. Pursuant to Milwaukee County General Ordinance 201.24 (8.17), the fiscal analysis is attached to the file.

Description of Proposed Ordinance Amendments

Section 1 of the Resolution – ERS Eligibility for Ineligibles Employed on December 31, 2024

Background.

The amendments regarding ERS Eligibility for Ineligibles Employed on December 31, 2024, are in Ordinance Section 201.24 (2.4). These amendments add language that revises the definition of an employee in the ERS to include those who were employed in a non-ERS position on December 31, 2024, who subsequently met ERS eligibility requirements through an employment change that was not a termination/rehire.

We became aware in 2025 that there were employees, generally seasonal employees, who were employed on December 31, 2024, and who were subsequently moved to full time, permanent positions. Because they have not terminated employment nor were they hired in 2025, they cannot enter the WRS. Given that these individuals are full-time, permanent employees we would like to clarify that this very limited population can join the ERS.

The defined term “employee” is used later in the ERS ordinance to indicate who is eligible for certain ERS benefit provisions. With these revisions to the defined term “employee”, it will be clear that these employees will be eligible to earn a pension while they are employed at Milwaukee County in a full time, permanent capacity.

Proposed Amendments.

Ordinance section 201.24(2.4). The proposed amendments to Ordinance section 201.24(2.4) revise Section 201.24 (2.4) as follows:

- The definition of an “employee” in the ERS is revised to include those who were earning OBRA service credit or employed by the County in a non-covered position on December 31, 2024 and who were subsequently promoted or otherwise transferred to an ERS-eligible position without a termination of employment

Effective Date. Effective upon passage with retroactive effect to January 1, 2025.

CC: Supervisor Willie Johnson Jr., Chair, Finance Committee
 Supervisor Patti Logsdon, Chair, Personnel Committee
 David Crowley, County Executive
 Margo Franklin, Chief Human Resources Officer
 Finance Committee
 Personnel Committee
 Mary Jo Meyers, Chief of Staff, Office of the County Executive
 Aaron Hertzberg, Director, Department of Administrative Services
 Joe Lamers, Budget and Management Director, Office of Strategy, Budget, and Performance
 Liz Sumner, Comptroller
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 Steve Cady, Research and Policy Director, Office of the Comptroller
 Scott Brown, Corporation Counsel