

**INTEROFFICE COMMUNICATION  
COUNTY OF MILWAUKEE**

**DATE:** March 23,2015

**TO:** Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

**FROM:** Mark A. Grady, Deputy Corporation Counsel *MAG*

**SUBJECT:** Request for payment authority in *Ruben Angeles et al. v. Milwaukee County et al.*, Case No. 14-CV-1074 (E.D. Wis. federal court)

I request that this matter be referred to the Committee on Judiciary, Safety and General Services for approval of a request for payment authority in the above matter. Authority is requested to pay a total of \$6307.90.

Angeles filed suit alleging that he was denied the ability to retire with pension benefits in April of 2014. Angeles had previously completed a purchase of pension service credit that had associated errors. He needed the purchased service credit in order to retire using the Rule of 75; without the purchased service, he was not eligible to retire at that time and begin receiving pension benefits. He had made plans to move out of state and felt he could not change those plans. Consequently, Angeles resigned his employment without retiring. The suit also sought class action certification on behalf of other employees who had purchased service credit with associated errors.

As a result of the County's adoption effective February 17, 2015, of pension ordinance amendments that had been recommended by the Pension Board, the errors associated with Angeles' purchase of service were corrected, subject to IRS approval. Following the County's action, the Pension Board reviewed Angeles' application for retirement that had been filed last April. The Pension Board determined that it is confident that the IRS will accept the corrections to resolve the errors related to Angeles' purchase and therefore directed the ERS Manager to process Angeles' retirement application retroactive to the date of his application.

As a result of Angeles retirement being effective, as opposed to his resignation, he needs to be treated similar to other employees who retire. As a result, he is entitled to receive payment of his unused sick allowance using the applicable formula. The amount of that sick allowance is \$3486.46. Because the retirement

was granted retroactively, Angeles is entitled to payment of interest on that amount at 5% in the amount of \$181.44. Consequently, the payment of unused sick allowance with interest totals \$3667.90.

In addition, Angeles is entitled to county paid health coverage now that he is retired and receiving pension benefits. During the last year, he has paid health premiums to his wife's employer to obtain that coverage. The total premiums that he paid up to the date that he begins coverage as a retiree in the county's health plan are \$2640. Given the retroactive acceptance of his retirement application, Angeles has a claim for payment of the premiums that he would not otherwise have had to pay had his retirement application been accepted at the time he submitted it.

It is expected that payment of these amounts will resolve all issues in the Angeles litigation except for a claim for attorneys' fees. That claim will be litigated and decided by the court. Payment of the unused sick allowance and the health insurance premiums will render all other issues in the litigation moot.

Approval for payment of the total amount of \$6307.90 is recommended and requested. The \$3667.90 payment related to sick allowance will be made from the airport account (where Angeles worked) related to such payments, low Org. Unit 5051. The \$2640.00 payment related to health insurance premiums will be made from the retiree health account, Org. Unit 1950. The checks will be made payable to Ruben Angeles and Attorney Robert Elliott.

cc: Kelly Bablitch  
Alexis Gassenhuber  
Erica Hayden  
Raisa Koltun  
Patricia Schroeder