

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43

(ITEM) From the Manager of the Employees Retirement System, Department of Human Resources, requesting authorization to amend Section 201.24(3.11) of the Milwaukee County Code of General Ordinances, to clarify the Criteria of Terminated Employee Contribution Refunds, Allow Additional Time to Make Informed Decisions and Ease the Administrative Process by the Employees Retirement System, by recommending adoption of the following:

A SUBSTITUTE RESOLUTION

WHEREAS, Section 201.24(3.11)(6)(a) of the Milwaukee County Code of General Ordinances currently requires County employees to request refunds of accumulated contributions made pursuant to Ordinance Section 201.24(3.11)(1) within sixty (60) days of terminating County employment; and

WHEREAS, accumulated contributions held in a membership account are composed entirely of employee contributions; and

WHEREAS, members who are not vested and who fail to request a refund of their accumulated contributions as required by Ordinance Section 201.24(3.11)(6)(a) and who fail to return to County employment and vest will forfeit employee contributions to the Employees Retirement System (ERS); and

WHEREAS, currently, members who are vested and receive a refund of their accumulated contributions forfeit their service credits; and

WHEREAS, Milwaukee County desires to ensure its former employees are well-informed of their options regarding their accumulated contributions; and

WHEREAS, members should receive written notice of their option to request a refund of their accumulated contribution following termination of employment to ensure awareness of their right to request refunds; and

WHEREAS, modifying the deadline to request a refund from sixty (60) to one hundred eighty (180) days will aid in pension administration and ensure that members have adequate time to make an informed decision prior to requesting a refund; and

WHEREAS, all assets in membership accounts should be refunded when requests for employee contribution assets are made; and

WHEREAS, pursuant to Section 201.24(8.17) of the Milwaukee County Code of General Ordinances, the proposed changes have been referred to the Pension Board and

44 the Pension Board has been given thirty (30) days to comment upon the proposed changes;
45 and

46
47 WHEREAS, the proposed changes have been referred to the pension fund actuary
48 whose analysis indicates the changes will have no material impact to the fund; and

49
50 WHEREAS, the Pension Study Commission reviewed the actuary's report on
51 December 18, 2013, and has recommended the County Board adopt the proposed
52 changes; now, therefore,

53
54 BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby amends
55 Section 201.24 of the Milwaukee County Code of General Ordinances by adopting the
56 following:

57
58 **AN ORDINANCE**

59
60 The County Board of Supervisors of the County of Milwaukee does ordain as
61 follows:

62
63 **SECTION 1.** Section 201.24(3.11)(6) of the General Ordinances of Milwaukee County is
64 amended to provide as follows:

65
66 **3.11 Employee Contribution**

67 (6) Refund of accumulated contributions.

68
69 (a) Refunds of all accumulated contributions made under this Section
70 3.11, with interest at the rate of five (5) percent per annum, shall be
71 made on the same conditions and under the same circumstances as
72 refunds under Section 3.5, but may only be paid in the form of a lump
73 sum payment. ~~For an employe terminating employment with the~~
74 ~~County, any refund of accumulated contributions must be requested~~
75 ~~within sixty (60) days after termination.~~

76
77 Any refund of accumulated contributions must be requested within
78 one hundred eighty (180) days after termination of County
79 employment. The Retirement Office shall send an employe who
80 terminates employment a written notice of the refund option via
81 United States mail, or an equivalent service, to the member's address
82 on file with the system.

83
84 If a member does not receive written notice of the refund option, then
85 the Pension Board, or the Retirement Office as delegated by the
86 Pension Board, may allow the individual to receive a refund of
87 accumulated contributions later than the refund period of this Section

88 3.11. A determination that notice was not received can be based on
89 the Retirement Office and/or Pension Board finding that notice was
90 either not sent by the Retirement Office or not received by the
91 member. The member shall have the burden of proving notice was
92 not received, and the Pension Board or Retirement Office shall have
93 the sole and exclusive authority to determine whether the individual
94 received written notice. The appeal rules of the Pension Board shall
95 apply to refund requests under this paragraph.

96
97 If a member requests and receives a refund of accumulated
98 contributions under this section and Section 3.5, the member shall
99 receive a refund of all amounts included in his or her membership
100 account at that time.

101
102 (b) Members receiving a refund or on whose behalf a refund is paid
103 under this subsection shall cease to be a member of the Employees
104 Retirement System and shall have no further right to any benefit under
105 this plan.

106
107 (c) The provisions of Section 11.1 shall not apply to accumulated
108 contributions withdrawn by members under this section.

109
110 **SECTION 2.** Section 201.24(3.5) of the General Ordinances of Milwaukee County is
111 amended to read as follows:

112
113 **3.5 Refunds upon severance or death**

114 Notwithstanding the following, a member shall not be eligible to
115 receive a refund of the portion of his membership account attributable
116 to accumulated contributions contributed under Section 3.11 if the
117 member's employment was terminated due to fault or delinquency on
118 the member's part under Section 4.5 or if the member or a beneficiary
119 of the member is eligible, at the time the request for a refund is made,
120 for the present receipt of any monthly annuity benefit under Sections
121 4.1, 4.5, 6.1, 6.2, 6.4, 7.1 or 7.2 of the Chapter 201.24 of the
122 ordinances. Upon termination of employment, for reason other than
123 death or retirement, a member shall be entitled to receive a refund of
124 the balance as of the date of termination of his membership account
125 and his savings account, accumulated at interest as set from time to
126 time by the Board. However, if a member who is eligible for a
127 deferred vested pension withdraws his membership account, he shall
128 forfeit all rights to a deferred vested pension. If a member requests,
129 under this paragraph, a refund of assets in his or her membership
130 account related to contributions made pursuant to Sections 3.11 or
131 3.3, the member shall receive a refund of all assets contained in his or

132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168

her membership account at that time, with interest as provided above,
provided that the request is made within the time limits contained in
Section 3.11.

Upon termination of employment by reason of a member's death or upon the death of a member who is eligible for a deferred vested pension, the member's beneficiary shall be paid in lump sum the balance, as of the date of death, of his membership account and his savings account, provided that if a joint and survivor option under section VII is effective or a survivorship benefit under section VI is payable, the membership account shall not be paid to the beneficiary. However, if the amount of the membership account at the date of a member's death exceeds the total of the amount of the payments spouse and children under Sections 6.1, 6.2, 6.4 and 7.1, after all payments due thereunder have been made, such excess shall be paid in a lump sum to the member's beneficiaries.

Upon retirement of a member, the balance of his savings account shall be paid in one (1) of the following forms as determined by the board:

- (a) Lump sum payment.
- (b) Life annuity with full cash refund or on a term certain basis.
- (c) Installments of a designated amount or over a designated period of time.

If under any of the above options a benefit becomes payable to some other person as a result of the death of the retired member, payment shall be made to the beneficiary designated by the member or, in the absence of a valid designation, than as provided in Section 2.16.

SECTION 3. The provisions of this ordinance shall be effective upon passage and publication.

jmj
12/17/13
H:\Shared\COMCLERK\Committees\2013\Dec\FPA\Resolutions\13-775 Substitute.doc