

PROOF OF PUBLICATION

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MILWAUKEE COUNTY

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Jul. 8, 2014

Ann Richmond  
Ann Richmond, Publisher

Sworn to me this 8th day of July 2014



David Ziemer  
David Ziemer  
Notary Public, Milwaukee County, Wisconsin  
My Commission Is Permanent

PROOF OF PUBLICATION

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**FROM THE OFFICE OF  
JOSEPH J. CZARNEKI  
MILWAUKEE COUNTY CLERK  
County Ordinance No. 14-11  
File No. 14-244  
AN ORDINANCE**

To amend Chapter 201.24 of the Milwaukee County Code of General Ordinances as appropriate to comply with federal legislative and regulatory changes related to tax-qualified retirement plans that impact the Employees' Retirement System of the County of Milwaukee.

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

Section 1. Effective January 1, 2007, section 201.24(2.7) is amended to read as follows:

Earnable compensation shall mean total compensation that would be payable to a member if he/she worked the full normal working time for his/her position, plus all payments for authorized overtime but excluding payments in lieu of vacations, provided that, where service is credited during periods of absences as provided in section 2.9 hereof, the employee shall be considered to have earnable compensation during such periods of absence equivalent to his/her earnable compensation as of the last month of employment prior to the beginning of such absences. In cases where compensation includes maintenance, the board shall fix the value of that part portion of the compensation not payable in money. Where the county pays less than the full rate of compensation for a position, and the balance is payable by some other government, company or individual, the amount paid by the county shall be considered the earnable compensation for such period of service. The annual earnable compensation of each member taken into account for determining all benefits provided under the system for any year shall exceed the annual compensation pursuant to Internal Revenue Code section 401(a)(17); provided, however, that this limitation shall apply only with respect to members who first commence participation in the system after 1995. The annual compensation limit shall be adjusted annually for increases in the cost of living by the Secretary of the County or his/her delegate, except that the dollar increase in effect on January 1 of any calendar year is effective for years beginning in such calendar year. The "annual compensation limit" is two one hundred thousand dollars; (\$20460,000.00), as Section 2.

Section 2. Effective January 1, 2007, or as noted below, the following shall be added to the end of section 201.24(2.10):

To the extent required by the Heroes' Earnings Assistance and Relief Tax Act of 2008 (HEART Act) and as applicable for the system, the following provisions apply:

(a) Effective January 1, 2007, if a member dies while performing qualified military service, the survivors of the member shall be entitled to any additional benefits (other than contributions relating to the period of qualified military service) provided under the system as if the member had been reemployed on the day prior to death and then severed employment on the actual date of death.

(b) Effective for payments made on or after January 1, 2009, compensation for purposes of section 2.4 includes any differential wage payments (as defined in Internal Revenue Code section 3401(h)(2)) to an individual who does not currently perform services for the county by reason of qualified military service while on active duty for a period of more than thirty (30) days and represents all or a portion of the wages the individual would have received from the county if the individual was performing services for the county. Such differential wage payment shall be treated as a payment of wages by the county to the member.

Qualified military service for the purposes of the above provisions is determined pursuant to Internal Revenue Code section 414(u)(5).

Section 3. Effective January 1, 2003, section 201.24(4.6) is amended to read as follows:

(1) In order to receive a pension, a member shall file with the board a written application therefor on a form prescribed by the board.

(2) A member who files with the board a completed application for benefits from the system shall be entitled to have his benefits commence no later than the 60th day after the close of the year in which the later of the following occurs:

(i) By an annual percentage increase that does not exceed the annual percentage increase in an eligible cost-of-living index (as defined under A-14 of Treasury regulation section 1.401(a)(9)-6) for a twelve (12) month period ending in the year during which the increase occurs or a prior year;

(ii) By a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage increases in an eligible cost-of-living index (as defined under A-14 of Treasury regulation section 1.401(a)(9)-6) since the annuity starting date, or if later, the date of the most recent percentage increase, provided in the case of a cumulative increase, an actuarial increase may not be provided to reflect that increases were not provided in the interim years.

(iii) To the extent of the reduction in the amount of the member's payments to provide for a survivor benefit upon death, but only if there is no longer a survivor benefit because the beneficiary whose life was being used to determine the distribution's period described in section 4.7(2) dies or is no longer the member's beneficiary pursuant to a domestic relationship order within the meaning of Rule 101.7.

(iv) To allow a beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the member's death.

(v) To pay increased benefits that result from an Ordinance amendment or other increases, or otherwise permitted under A-14 of Treasury regulation section 1.401(a)(9)-6.

(h) Any additional benefits accruing to the member in a calendar year after their first distributed calendar year will be payment interval ending in the first calendar year immediately following the calendar year in which such amount accrues.

(4) Requirements for annuity distributions that commence during a member's lifetime.

(a) Joint Life Annuities. Where the beneficiary is not the Member's Spouse, if the member's interest is being paid in the form of a joint and survivor annuity for the joint lives of the member and a nonspouse beneficiary, the annuity payments shall be made on the date of the member's death, but not at any time after the applicable percentage of the annuity has been paid to the member as determined for individuals less than age seventy and one-half (70 1/2) at the member's annuity starting date using the table set forth in A-2 of section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the member and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to designated beneficiary after the expiration of the period certain.

(b) Period Certain Annuities. Unless the member's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing after the member's lifetime may not exceed the applicable distribution period for the member under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the member's spouse is the beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing after the member's lifetime may not exceed the applicable distribution period for the member under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date.

Section 4. Effective January 1, 2003, section 201.24(4.7) is amended to read as follows:

(1) If the member dies after his required beginning date, as determined under section 4.6(2), or if earlier, the date he commences an irrevocable annuity, any remaining benefit must continue to be distributed at least as rapidly as under the method of distribution in effect prior to the member's death.

(2) If the member dies before his distributions begin and before his required beginning date, as determined under subsection 4.6(2), distribution of the member's entire benefit shall be completed by December 31 of the calendar year containing the 5th anniversary of the

member's death, unless an election is made to receive distributions in accordance with subsections (a) or (b) below.

(a) If any portion of the member's benefit is payable to a designated beneficiary, distributions shall commence by the date of the member's death, or if later, the date of the most recent percentage increase, provided in the case of a cumulative increase, an actuarial increase may not be provided to reflect that increases were not provided in the interim years.

(b) If the designated beneficiary is the member's spouse, the date distributions are required to begin in shall not be earlier than the later of (i) December 31 of the calendar year immediately following the calendar year in which the member died, or (ii) December 31 of the calendar year in which the member would have attained age seventy and one-half (70 1/2).

If the member has not made an election pursuant to this section, by the time of his death, the member's designated beneficiary must elect the method of distribution no later than the earlier of (a) December 31 of the calendar year in which distributions would be required to begin under this section, or (b) December 31 of the calendar year which contains the 5th anniversary of the date of death of the member. If the member has no designated beneficiary, or if the beneficiary fails to elect a method of distribution, interest must be completed by December 31 of the calendar year containing the 5th anniversary of the member's death.

If the surviving spouse dies after the member, but before payments commence, the above provisions, with the exception of subsection (b) above, shall be applied, as if the surviving spouse were the member.

(3) Requirements for Minimum Distributions. Where Member Dies Before Date Distributions Begin.

(a) Member Survived by Designated Beneficiary. If the member dies before the date distribution of his interest begins, and there is a designated beneficiary, the member's entire interest will be distributed beginning no later than the time described in sections 4.7(2)(a) or (b) over the life of the period certain not exceeding (i) The applicable distribution period determined under A-5 of Treasury regulations section 1.401(a)(9)-5, unless the annuity starting date is before the first distribution calendar year. For purposes of sections 4.6 and 4.7, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the member's required beginning date. For distributions beginning after the member's death, the first distribution calendar year is the calendar year in which distributions are required to begin under section 4.7(2)(a) or (b).

(ii) The life expectancy of the designated beneficiary is determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date, if the annuity starting date is before the first distribution calendar year.

(b) No Designated Beneficiary. If the member dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the member's death, interest will be completed by December 31 of the calendar year containing the fifth anniversary of the member's death.

(c) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the member dies before the date distribution of his interest begins, the member's surviving spouse is the member's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this section will apply as if the surviving spouse were the member, except that the time by which distributions must begin will be determined without regard to section 4.7(2)(a) above.

(24) The board shall, upon the member's written request, or in the case of a distribution described in subsection (2)(b) above, upon written request of the member's surviving spouse, may recalculate his and/or his spouse's life expectancy for purposes of calculating the minimum distribution. The member must make such an election not later than his required beginning date as defined in section 4.6(2). A member's surviving spouse must make such an election no later than the December 31 date described in subsection (2)(b) above. This election is irrevocable. A recalculation election applicable to a joint survivor is a nonspouse may not take into account any adjustment to

any life expectancy other than the member's life expectancy. In the absence of a recalculation election the system does not permit recalculation of applicable life expectancy.

Section 5. Effective January 1, 2003, section 201.24(4.8)(4) is hereby amended to read as follows:

(4) If a designation is revoked, any subsequent distribution must satisfy the requirements of Internal Revenue Code section 401(a)(9) and the proposed regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the trust must distribute, by the end of the calendar year following the calendar year in which the revocation occurs, the total amount not yet distributed which would have been required to have been distributed to satisfy Internal Revenue Code section 401(a)(9) and the proposed regulations thereunder, including the minimum incidental benefit requirements of proposed regulations Section 401(a)(9)-2. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life).

Section 6. Effective January 1, 2008, section 201.24(12.1)(3) is hereby restated to read as follows:

(3) If a member has never participated in an irrevocable arrangement which provides an annual addition as defined in section 12.2 (other than one (1) or more qualified defined benefit plans), the limitation in subsection 12.7(c) above to deemed offset by the annual benefit payable to the member is not more than one thousand dollars (\$1,000.00), multiplied by the member's number of years of service or parts thereof (not to exceed ten(10)).

(3) Notwithstanding anything else in this section to the contrary, the benefit otherwise payable to a member under this system shall be deemed to exceed the maximum permissible benefit if:

(a) The retirement benefits payable for a limitation year under any form of benefit with respect to such member under this system and under other defined benefit plans (without regard to whether a plan has been terminated) ever maintained the county do not exceed \$10,000 multiplied by a fraction - (i) the numerator of which is the member's number of years (or part thereof, but not less than one year) of service (not to exceed 10) with the county and (ii) the denominator of which is 10; and

(b) The county for a predecessor employer has not at any time maintained a qualified defined contribution plan in which the member participated (for this purpose, mandatory employee contributions under a defined benefit plan, individual medical accounts under Internal Revenue Code section 401(h), and accounts for postretirement medical benefits established under Internal Revenue Code section 419A(d)(1) are not considered a separate defined contribution plan).

Section 7. Effective January 1, 2008, section 201.24(12.2)(1) is hereby amended to read as follows:

(1) "Annual benefits" means the retirement benefit under the system which is payable annually in the form of a straight life annuity. Except as provided in this section, a benefit payable in a form other than a straight life annuity must be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other forms of benefit and is payable on the first day of each month, before applying the limitations of this section XII. The interest rate assumption used to determine actuarial equivalence shall be the greater of the interest rate determined pursuant to paragraph (13) of section II or five (5) percent. The annual benefit does not include any benefits attributable to employee contributions or rollover contributions or the assets transferred or rolled over from a qualified plan that was not maintained by the county. For members who make contributions to their membership accounts, to the extent the County does not pick up these contributions and to the extent that such contributions are not measured by Internal Revenue Code section 415(n), the annual benefits attributable to such contributions shall be determined according to Internal Revenue Code section 411(c)(3) and the Treasury regulations thereunder. No actuarial adjustment to the benefit is required for the following benefits:

(4) The value of survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not

be payable if the member's benefit were not paid in a qualified joint and survivor annuity.

(b) The value of benefits that are not directly related to retirement benefits; and

(c) For members who at retirement do not have the value of the cost of living adjustment described in section 5.7 included in their Internal Revenue Code section 415 compliance calculation. The value of an automatic benefit increase feature, provided the form of benefit is not subject to Internal Revenue Code section 417(e)(3), would otherwise satisfy the limitations of this section. XII, and the amount payable under the form of benefit in any limitation year shall not exceed the limits of this section. XII and Internal Revenue Code section 415(b) applicable at the annuity starting date. For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form post-retirement cost-of-living increases made in accordance with Internal Revenue Code section 415(e)(3) and applicable Treasury Regulations.

The determination of the annual benefit shall take into account Social Security supplements described in Internal Revenue Code section 411(a)(9).

The determination of actuarial equivalence of forms of benefit other than a straight life annuity shall be made in accordance with the following section 12.2(1)(a) or (b):

(a) Benefit Forms. Not Subject to Internal Revenue Code Section 417(e)(3). The straight-life annuity that is actuarially equivalent to the member's form of benefit shall be determined under this section 12.2(1) if the form of the member's benefit is either (1) a nondecreasing annuity (other than a straight life annuity) payable for a period of not less than the life of the member (or, in the case of a qualified pre-retirement survivor annuity, the life of the surviving spouse), or (2) an annuity that decreases during the life of the member merely because of (a) the death of the survivor annuitant (but only if the reduction is not below fifty (50) percent of the benefit payable before the death of the survivor annuitant), or (b) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Internal Revenue Code section 401(a)(11)).

(b) Limitation Years. Beginning Before July 1, 2007. For limitation years beginning before July 1, 2007, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit computed using whichever of the following produces the greater annual amount:

(i) The interest rate specified in Rule 1014(c)(2) and the mortality table specified in Rule 1014(c)(1) for adjusting benefits in the same form; and (ii) a five (5) percent interest rate assumption and the applicable mortality table defined in Internal Revenue Code section 417(e) for that annuity starting date.

(c) Limitation Years. Beginning on or After July 1, 2007. For limitation years beginning on or after July 1, 2007, the actuarially equivalent straight life annuity (if any) payable to the member under the system commencing at the same annuity starting date as the member's form of benefit and (2) the annual amount of the straight life annuity (if any) payable to the member under the system commencing at the same annuity starting date as the member's form of benefit; and (3) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using a five (5) percent interest rate assumption and the applicable mortality table defined in Internal Revenue Code section 417(e) for that annuity starting date.

(d) Benefit Forms. Subject to Internal Revenue Code Section 417(e)(3). The straight life annuity that is actuarially equivalent to the member's form of benefit shall be determined under this paragraph if the form of the member's benefit is other than a benefit form described in section 12.2(1)(a). In this case, the actuarially equivalent straight life annuity shall be determined as follows:

(i) Annuity Starting Date in Limitation Years. Beginning After 2005. The actuarially equivalent straight life annuity is equal to the greatest of (1) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using the interest rate specified in Rule 1014(c)(2) and the mortality table specified in Rule 1014(c)(1) for adjusting benefits in the same form; (ii) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actu-

arial present value as the member's form of benefit, computed using a five (5) and one-half (5.5) percent interest rate assumption and the applicable mortality table defined in Internal Revenue Code section 417(e); and (iii) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using the applicable interest rate defined in Internal Revenue Code section 417(e) and the applicable mortality table defined in Internal Revenue Code section 417(e)(3), divided by one and five one-hundredths (1.05).

(ii) Annuity Starting Date in Limitation Years. Beginning in 2004 or 2005. If the annuity starting date of the member's form of benefit is in a limitation year beginning in 2004 or 2005, and if the IRS so requires, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using whichever of the following produces the greater annual amount: (1) the interest rate specified in Rule 1014(c)(2) and the mortality table (or other tabular factor) specified in Rule 1014(c)(1) for adjusting benefits in the same form; and (ii) a five (5) and one-half (5.5) percent interest rate assumption and the applicable mortality table defined in Rule 1014(b)(1).

If the member's chosen form of benefit is subject to Internal Revenue Code section 417(e)(3) and the annuity starting date of the member's benefit is on or after the first day of the first limitation year beginning in 2004 and before December 31, 2004, the application of this section 12.2(1)(b)(ii) shall not cause the amount payable under the member's form of benefit to be less than the benefit calculated under the system, taking into account the limitations of this section. XII; except that the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using whichever of the following produces the greatest annual amount:

(i) The interest rate specified in Rule 1014(c)(2) and the mortality table (or other tabular factor) specified in Rule 1014(c)(1) for adjusting benefits in the same form; (ii) the applicable interest rate defined in Internal Revenue Code section 417 and the applicable mortality table defined in Internal Revenue Code section 417; and (iii) the applicable interest rate defined in Internal Revenue Code section 417 (as in effect on the last day of the last limitation year beginning before January 1, 2004, under provisions of the system then adopted and in effect) and the applicable mortality table defined in Internal Revenue Code section 417.

Section 8. Effective January 1, 2002, section 201.24(12.3)(2) is amended to read as follows:

(2) If the annual benefit of the member commences on or after age sixty-two (62), the general limitations of subsection (1) above shall apply. The defined benefit dollar limitation shall be adjusted if the annuity starting date of the member's benefit is before age 62.

(a) Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement Before Age 62.

(i) Limitation Years. Beginning Before July 1, 2007. If the annuity starting date for the member's benefit is prior to age 62 and occurs in a limitation year beginning before July 1, 2007, the defined benefit dollar limitation for the member's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the defined benefit dollar limitation (adjusted under section 12.3(1) for years of participation less than ten (10), if required) with actuarial equivalence computed using a five (5) percent interest rate assumption and the 1994 GAR mortality table.

(ii) Limitation Years. Beginning on or After July 1, 2007. If the annuity starting date for the member's benefit is prior to age 62 and occurs in a limitation year beginning on or after July 1, 2007, the defined benefit dollar limitation for the member's annuity starting date is the lesser of: (a) the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the defined benefit dollar limitation (adjusted under section 12.3(f) for years of participation less than ten (10), if required) with actuarial equivalence computed using a five (5) percent interest rate assumption and the 1994 GAR mortality table; and (b) the actuarially equivalent straight life annuity starting date that has the same actu-

effective for that annuity starting date and (b) the defined benefit dollar limitation (adjusted under section 12.3(1) for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the system to the annual amount of the immediately commencing straight life annuity under the system at age sixty-two (62), both determined without applying the limitations of this section. XII (and expressing the participant's age based on completed calendar months as of the annuity starting date).

(b) Notwithstanding the other requirements of this section 12.3, no adjustment shall be made to the defined benefit dollar limitation to reflect the probability of a member's death between the annuity starting date and age sixty-two (62). If benefits are not forfeited upon the death of the member prior to the annuity starting date, to the extent benefits are forfeited upon death before the annuity starting date, such an adjustment shall be made.

(c) Notwithstanding the other requirements of this section 12.3, no adjustment shall be made to the defined benefit dollar limitation for commencement of a benefit before age sixty-two (62) for a distribution on account of a member's becoming disabled by reason of a personal injury or sickness, or as a result of the death of a member.

Section 9. Effective January 1, 2002, section 201.24(12.3)(3) is amended to read as follows:

(3) Except as provided in the paragraph if the annual benefit of the member commences prior to age sixty-two (62), the defined benefit dollar limitation shall be the actuarial equivalent of an annual benefit beginning at age sixty-two (62) if the member commences the benefit on or after age sixty-two (62). The defined benefit dollar limitation shall be the greater of the rates specified in paragraph (1) of section 11 or five (5) percent of the member's commencing benefit (age fifty-five (55) and sixty-two (62)), the actuarial reduction of the defined benefit dollar limitation which is less than seventy-five (75) percent of the member's commencing benefit (age fifty-five (55) and sixty-two (62)), or the actuarial reduction of the defined benefit dollar limitation which is less than seventy-five (75) percent of the member's commencing benefit (age fifty-five (55) and sixty-two (62)). Notwithstanding the provisions of this section 12.3(2), the defined benefit dollar limitation of a "qualified member" shall not be actuarially adjusted. For purposes of this section, a "qualified member" is a member whose years of service taken into account in determining his benefit include at least fifteen (15) years of service as a full-time employee of any department of the county which provides police protection, firefighting services, or emergency medical services for any area within the jurisdiction of the county (or is a member of the armed forces of the United States).

Section 10. Effective January 1, 2002, section 201.24(12.4)(1) is amended to read as follows:

(1) The annual addition to a member's savings account and membership account for any limitation year shall not exceed the lesser of:

(a) The greater of thirty thousand dollars (\$30,000.00) or twenty-five (25) percent of the defined benefit dollar limitation related to Internal Revenue Code Section 415(e)(4)(A) for each year. The defined contribution dollar limitation provided in Internal Revenue Code section 415(c)(1)(A), or such successor provision of the Internal Revenue Code, as adjusted for cost of living adjustments pursuant to Internal Revenue Code section 415(d); or (b) Twenty-five (25) One hundred (100) percent of the compensation paid or made available to the member for such year.

Section 11. Effective January 1, 2002, section 201.24(12.6) is amended to read as follows:

The defined benefit dollar limitation shall equal One Hundred Sixty Thousand Dollars (\$160,000.00) less ninety thousand dollars (\$90,000.00). Effective January 1, 1988 and each January 1 thereafter, the ninety thousand dollar limitation shall be adjusted by multiplying such limit by the cost of living adjustment factor prescribed by the Secretary of the Treasury under Internal Revenue Code section 415(d). The new dollar limitation shall apply to limitation years ending within the calendar year of the date of adjustment.

Section 12. Effective January 1, 2001, section 201.24(12.8) is hereby amended to read as follows:

Compensation, for the purposes of this section, means "participant's compensation," as defined in Internal Revenue Code section 415(c)(3) and the regulations thereunder, including elective contributions made by the County on behalf of the member that are not includable in income under Internal Revenue Code sections 125, 132(f)(4), 401(h)(2), 402(e)(3), 402(h) or 403(b). Section 13. Effective January 1, 2008, section 201.24(12.8) is hereby amended to read as follows:

Compensation, for the purposes of this section, means "participant's compensation," as defined in Internal Revenue Code section 415(c)(3) and paid prior to the member's severance from employment and the regulations thereunder, including elective contributions made by the County on behalf of the member that are not includable in income under Internal Revenue Code sections 125, 132(f)(4), 401(h)(2), 402(e)(3), 402(h) or 403(b).

Section 14. Effective January 1, 2002, section 201.24(13.3) is amended to read as follows:

An eligible retirement plan is an individual retirement account described in Internal Revenue Code section 408(a), an individual retirement annuity described in Internal Revenue Code section 408(b), an individual retirement annuity described in Internal Revenue Code section 403(a), or a qualified trust described in Internal Revenue Code section 401(a) that accepts the distributee's eligible rollover distribution, an eligible deferred compensation plan described in Internal Revenue Code section 457(b) which is maintained by an eligible employer described in Internal Revenue Code section 457(e)(1)(A), or an annuity contract described in Internal Revenue Code section 403(b). However, in the case of an eligible rollover distribution to a surviving spouse, an eligible retirement plan is an individual retirement account of an individual retirement annuity.

Section 15. Effective January 1, 2010, the following shall be added to the end of section 201.24(13.3):

Effective for eligible rollovers made on or after January 1, 2008, an eligible retirement plan shall also mean a Roth individual retirement account described in Internal Revenue Code section 408A provided that eligible rollover distributions made on or after January 1, 2008 are subject to the same gross income limits of Internal Revenue Code section 408A(c)(3) and the distribution rules of Internal Revenue Code section 408A(d)(3). For a distributee who is a nonspouse designated beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in Internal Revenue Code section 408(a) or 408(b) that is established on behalf of the designated beneficiary for the purpose of receiving the distribution as an inherited individual retirement account or annuity pursuant to the provisions of Internal Revenue Code section 408(d)(3)(C).

Section 16. Effective January 1, 2010, section 201.24(13.4) of the Milwaukee County Code for General Ordinances is amended to read as follows:

A distributee includes a member or former member. In addition, the member's or former member's surviving spouse and the member's or former member's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Internal Revenue Code section 414(p), are distributees with regard to the interest of the spouse or former spouse. A distributee also includes a member or former member's nonspouse beneficiary.

Section 17. The provisions of this ordinance shall be effective as set forth above, but in any event no later than upon passage and publication. Adopted by the Milwaukee County Board of Supervisors May 22, 2014