

PROOF OF PUBLICATION

STATE OF WISCONSIN }
MILWAUKEE COUNTY } S.S.

Ann Richmond, being the first duly sworn on oath, says that she is the Publisher of THE DAILY REPORTER, which is a public newspaper of general circulation, printed and published daily in the English language in the City of Milwaukee, in said county, and fully complying with the laws of Wisconsin, relating to the publication of legal notices; that the notice of which the printed one attached is a true copy, which was clipped from the said newspaper, was inserted and published in said newspaper on

Feb. 23, 2012

Ann S. Richmond

Ann Richmond, Publisher

Sworn to me this 23rd day of February 2012

David Ziemer



David Ziemer

Notary Public, Milwaukee County, Wisconsin
My Commission Is Permanent

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CHAPTER 203(2.4)
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**FROM THE OFFICE OF
JOSEPH J. CZARNEZKI
MILWAUKEE COUNTY CLERK
County Ordinance No. 12-2
File No. 12-54**

AN ORDINANCE

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

Section 1. Effective January 1, 2002, section 203(2.4) of the General Ordinances of Milwaukee County is amended to read as follows:

2.4. Compensation.

"Compensation" means for any plan year the total of all amounts paid to an employee by the county defined as wages within the meaning of Internal Revenue Code section 3401(a) (determined without regard to any rules under

section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in section 3401(a)(2)) and all other payments of compensation paid to an employee by the county for which the county is required to furnish the employee a written statement under Internal Revenue Code sections 6401(d) and 6051(A)(3), exclusive of amounts paid or reimbursed by the county for moving expenses incurred by the employee to the extent that at the time of the payment it is reasonable to believe that these amounts are deductible by the employee under Internal Revenue Code section 217. Further, "compensation" for each plan year shall exclude any amount that is in excess of the Social Security OASDI taxable wage base as in effect for the plan year. In the event that during any plan year an employee spends time in the employment of the county during part of which the county is obligated to collect and contribute taxes under the Federal Insurance Contributions Act (other than the Medicare portion of the FICA tax described in Internal Revenue Code section 3121(u)) with respect to such employee, either by virtue of a voluntary agreement between the state and the Secretary of Health and Human Services pursuant to section 218 of the Social Security Act or by any other provision of federal law, he/she shall be credited with compensation hereunder only for the amounts earned during the portion of the year during which the county is not obligated to collect and contribute taxes under the Federal Insurance Contributions Act (other than the Medicare portion of the FICA tax described in Internal Revenue Code section 3121(u)) with respect to such employee either by virtue of a voluntary agreement between the state and the Secretary of Health and Human Services pursuant to section 218 of the Social Security Act or by any other provision of federal law. The compensation of each member taken into account for determining all benefits provided under the system for any year shall not exceed the annual compensation limit pursuant to 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 indicated annually for increases in

Section 4. Effective March 28, 2006, section 203(4.4) of the General Ordinances of Milwaukee County is amended to read as follows:

(a) If at the time a pension would otherwise become payable to a member under either section 4.1, 4.2 or 4.3 the actuarial equivalent lump sum value of that pension does not exceed five thousand dollars (\$5,000.00), such lump sum value shall be paid to the member in lieu of any monthly pension payments which would otherwise have been payable under section 4.1, 4.2 or 4.3. Any mandatory lump sum payments of between \$1,000 and \$5,000 made under this section after March 28, 2005, will be paid directly into an Individual Retirement Account (IRA) in the member's name, unless the member requests otherwise. No amount will be payable with respect to a member who dies after satisfying the conditions for a mandatory cashout but before the system makes payment in the following plan year.

Section 6. Effective January 1, 2002, section 203(7.1)(a)(ii) of the General Ordinances of Milwaukee County shall be amended to read as follows:

(i) One hundred sixty thousand dollars (\$160,000) shall be the maximum amount which shall be adjusted automatically each plan year to the extent permitted by and in accordance with the Internal Revenue Code and regulations promulgated by the Secretary of the Treasury.

Section 7. Effective January 1, 2002, section 203(7.1)(f) of the General Ordinances of Milwaukee County is amended to read as follows:

(A)(i) If benefits begin prior to age sixty-two (62), the limitation specified in subparagraph (a)(ii) above shall be replaced with a limitation which is the actuarial equivalent of the limitation described at subparagraph (a)(ii) above beginning at age sixty-two (62). Actuarial equivalence for this purpose will be determined using an interest rate of five (5) percent and the 1982-GAM mortality table specified by the Internal Revenue Service in Revenue Ruling 2001-62, or any successor Revenue Ruling thereto. As of December 31, 2001 that mortality table is the 1994 GAP mortality table. However, the

before attending his or her normal retirement date and before death:

(1) The member terminates county employment.

(2) The member is absent from county employment for a period of five years.

(3) The actuarial equivalent lump sum present value of his or her pension is five thousand dollars (\$5,000) or less, and

(4) An employee who became a member of OBRA prior to January 1, 1994 consents to the cashout.

The mandatory cashout required under this subsection 4.5(a) shall be paid to the member as soon as practicable after the close of the plan year in which the member satisfies the conditions for the mandatory cashout. Any mandatory lump sum payments of between \$1,000 and \$5,000 made under this section after March 28, 2005, will be paid directly into an Individual Retirement Account (IRA) in the member's name, unless the member requests otherwise. No amount will be payable with respect to a member who dies after satisfying the conditions for a mandatory cashout but before the system makes payment in the following plan year.

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(i) 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 if the form of the member's benefit is either (1) a nondecreasing 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 50% 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)).

(A) 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 actuarial present value as the member's form of benefit computed using whichever of the following produces the greater annual amount: (1) an 8.5 percent interest rate assumption and the UP-1984 Mortality Table for adjusting benefits in the same form; and (2) a 5 percent interest rate assumption and the applicable mortality table defined in Internal Revenue Code section 417(e) for that annuity starting date.

(B) 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 is equal to the greater of (1) the annual amount of the straight life annuity (if any) payable to the member under the plan commencing at the same annuity starting date as the member's form of benefit; and (2) 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 5 percent interest rate assumption and the applicable mortality table defined in Internal Revenue Code section 417(e) for that annuity starting date.

(ii) Benefit Forms Subject to Internal Revenue Code section 417(e)(3): The straight life annuity that is actuarially equivalent to the

the cost of living by the Secretary of the Treasury or his 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.

Section 2. Effective January 1, 2002, the following is added as a new paragraph at the end of section 203(2.12) of the General Ordinances of Milwaukee County:

Upon beginning membership, members are 100% vested in their benefit under the system at all times and will remain 100% vested upon reaching normal retirement date, as defined in section 2.9. Members shall remain fully vested even in the event of a partial plan termination or full plan termination, as contemplated under section 2.1.

Section 3. Effective January 1, 2007, or as noted below, the following is added at the end of section 203(2.12) of the General Ordinances of Milwaukee County:

To the extent required by the Heroes Earnings Assistance and Relief Tax Act of 2008 (the "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 wage payments (as defined in 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 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.

(c) Qualified military service for the purposes of the above provisions is determined pursuant to section 414(u)(6).

the amount determined in the preceding section exceeds the five thousand-dollar amount (as adjusted) described in paragraph (a) above, then a lifetime monthly pension shall instead commence in such month of January, and the amount of such pension shall equal (A) one-twelfth times (B) two (2) percent of the member's average compensation computed through the end of the prior plan year times (C) the years of service earned in the prior plan year.

If a member begins receiving a lifetime monthly pension pursuant to the preceding paragraph, then for each plan year subsequent to the plan year in which his or her lifetime monthly pension commenced during which he or she continues in the employment of the county, the amount of his or her pension shall be recomputed. The amount of such recomputed pension for each month during any such plan year shall be equal to (A) one-twelfth times (B) two (2) percent of the member's average compensation computed through the end of the prior plan year times (C) the member's years of service (not in excess of thirty (30)) computed through the end of the prior plan year (but not taking into account any years of service earned prior to the member's normal retirement date or for which the member received a single lump sum distribution after his/her normal retirement date); provided, however, that any increase in such pension previously payable shall be offset by the actuarial equivalent value (determined using the UP-1984 mortality table and an interest rate of eight and five-tenths (8.5) compounded annually) of pension benefits actually distributed during the prior plan year.

(c) Lump sum actuarial equivalent value shall be computed under this section 4.4 using the UP-1994 unisex mortality table and an interest rate equal to eight and five-tenths (8.5) percent compounded annually.

Section 5. Effective March 28, 2005, section 203(4.5)(a) of the General Ordinances of Milwaukee County is amended to read as follows:

4.5 Mandatory cash out.
(a) Eligibility for mandatory cashout. A member shall not receive the pension described in sections 4.1, 4.2 or 4.3, and shall instead receive a single lump sum distribution of his or her benefit if,

the limitation under (e)(ii) shall never be reduced below seventy-five thousand dollars (\$75,000.00) in the case of a benefit beginning on either the age fifty-five (55);

(b) The limitation under sub-paragraph (e)(ii) for benefits commencing prior to age fifty-five (55) is the actuarial equivalent of the limitation for benefits commencing at age fifty-five (55). Actuarial equivalence for this purpose will be determined using an interest rate of five (5) percent and the 1982-GAM mortality table.

(i) If benefits begin after age sixty five (65), the limitation above shall be increased so that it is the actuarial equivalent of the limit described at subparagraph (a)(ii) above beginning at age sixty-five (65). Actuarial equivalence for this purpose will be determined using an interest rate of five (5) percent and the 1982-GAM mortality table specified by the Internal Revenue Service in Revenue Ruling 2001-52, or any successor Revenue Ruling thereto. As of December 31, 2001 that mortality table is the 1994-GAM mortality table.

Section 8. Effective January 1, 2008, section 203(7.1)(f)(ii) of the General Ordinances of Milwaukee County is hereby deleted and section 203(7.1)(f)(i) is renumbered to be section 203(7.1)(f).

Section 9. Effective January 1, 2008, section 203(7.1)(g) of the General Ordinances of Milwaukee County is created to read as follows:

Except as provided for in this section, where a benefit is payable in a form other than a straight life annuity, the benefit shall be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this article. The determination of the annual benefit shall take into account social security supplements described in section 411(a)(9) of the Internal Revenue Code.

Section 10. Effective January 1, 2008, section 203(7.1)(h) of the General Ordinances of Milwaukee County is created to read as follows:

Effective for distributions in plan years beginning after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a straight life annuity shall be made in accordance with this section.

member's form of benefit shall be determined under a paragraph if the form of the member's benefit is other than a benefit form described in section 7.1(h)(1). In this case, the actuarially equivalent straight life annuity shall be determined as follows:

(A) Annuity Starting Date in Plan Years Beginning After 2005. If the annuity starting date of the member's form of benefit is in a plan year beginning after 2005, the actuarially equivalent straight life annuity is equal to the greatest of (i) 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 an 8.5 percent interest rate assumption and the UP-1984 Mortality Table 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 actuarial present value as the member's form of benefit, computed using a 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 and the applicable mortality table defined in Internal Revenue Code section 417(e), divided by 1.05.

(B) Annuity Starting Date in Plan Years Beginning in 2004 or 2005. If the annuity starting date of the member's form of benefit is in a plan 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: (i) an 8.5 percent interest rate assumption and the UP-1984 Mortality Table; and (ii) a 5.5 percent interest rate assumption and the applicable mortality table specified by the Internal Revenue Service in Revenue Ruling 2001-52, or any successor Revenue Ruling

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thereto. As of December 31, 2001, that mortality table is the 1994 GAR mortality table.

If the annuity starting date of the member's benefit is on or after the first day of the first plan year beginning in 2004 and before December 31, 2004, the application of this section shall not cause the amount payable under the member's form of benefit to be less than the benefit calculated under the plan, taking into account the limitations of this article, 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) an 8.5 percent interest rate assumption and the UP-1984 Mortality Table 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 interest rate defined in Internal Revenue Code section 417 (as in effect on the last day of the last plan 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 11. Effective January 1, 2002, section 203(7.2)(a) of the General Ordinances of Milwaukee County is amended to read as follows:

For purposes of section 7.1, "compensation" shall mean the member's earnings from his/her employment with the county as defined in Internal Revenue Code section 415(c)(3), and, unless otherwise required by regulation, includes bonuses and other taxable payments and elective contributions made on behalf of the County under Internal Revenue Code sections 125, 132(d)(4), 402(a)(3), 402(h), 403(b), 408(p)(2)(A)(i) or 457 but excludes deferred compensation and distributions which

(a) The member's benefit will be distributed or begin to be distributed to the member no later than the member's required beginning date, defined as the April 1 following the later of the calendar year in which the member attains age 70-1/2 or terminates county employment.

(b) Unless the member's benefit is distributed in a single sum on or before the required beginning date, distributions shall be made in accordance with section (c) below.

(c) If the member's benefit is paid in the form of annuity distributions under the system, payments under the annuity will satisfy the following requirements:

(1) The annuity distributions will be paid in periodic payments made at uniform intervals not longer than one year;

(2) The distribution period will be over the life of the member;

(3) Payments will either be nonincreasing or increase only as follows (if otherwise provided for in Chapter 203):

(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 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 pay increased benefits that result from a system amendment; or

(iv) To the extent increases are otherwise permitted under A-14 of Treasury Regulation section 1.401(a)(9)-6.

(d) The amount that must be distributed on or before the member's required beginning date is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are

provided that eligible rollover distributions made on or after January 1, 2008 are subject to the adjusted gross income limits of Code Section 408A(c)(3)(B), as applicable, and the distribution rules of 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 Code Section 408(a) or Section 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 Code Section 408(d)(3)(C).

Section 17. Effective January 1, 2010, the following is added at the end of section 203(11.4) of the General Ordinances of Milwaukee County:

11.4. Distributee.

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 18. This ordinance shall be effective upon passage and publication.

Adopted by the Milwaukee County Board of Supervisors

February 2, 2012

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Section 12. Effective January 1, 2008, section 203(7.2)(c) of the General Ordinances of Milwaukee County is added to read:

(c) For purposes of section 7, limitation year shall mean the calendar year.

Section 13. Effective January 1, 2008, section 203(9.3) of the General Ordinances of Milwaukee County is amended to read as follows:

After termination of the system each member's accrued pension (accrued to the date of termination of the system or earlier cessation of benefit accrual) shall be distributed to him/her in the form of a nontransferable annuity contract which will pay him/her such accrued pension, except that, in lieu of such annuity contract, a lump sum cash distribution of the actuarial equivalent of the member's accrued pension shall be made to any member whose accrued pension is smaller than the minimum amount necessary to meet insurance company annuity requirements; provided, however, no such lump sum distribution shall be made if the actuarial equivalent value of the member's pension exceeds the five thousand dollar (\$5,000) ~~three thousand five hundred~~ amount (as adjusted) specified in section 4.4. (Such actuarial equivalent lump sum shall be computed using the UP 1984 unisex mortality table and an interest rate equal to eight and five-tenths (8.5) percent compounded annually.)

Section 14. Effective January 1, 2003, section 203(10.7) of the General Ordinances of Milwaukee County is amended to read as follows:

10.7. Code requirements.

All distributions will be made in accordance with the rules of Internal Revenue Code section 401(a)(9) and regulations thereunder, including rules of IRS regulation section 1.401(a)(9)-2. The rules of Internal Revenue Code section 401(a)(9) and regulations thereunder shall override any distribution options described in this system to the extent that the options in this system could be considered to be inconsistent with the requirements of Internal Revenue Code section 401(a)(9) and regulations thereunder. ~~The rules set forth in this system regarding time of commencement of distribution and method of distribution shall be in lieu of the default provisions in IRS regulation sections 1.401(a)-1, 1.401(a)(9)-1 and 1.401(a)(9)-2.~~

received, e.g., BI MONTHLY, MONTHLY, semi-annually, or annually. All of the member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the member's required beginning date.

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

(f) For purposes of this section 10.7, a distribution calendar year is a calendar year for which a minimum distribution is required. The first distribution calendar year is the calendar year immediately preceding the calendar year which contains the member's required beginning date.

Section 15. Effective January 1, 2002, section 203(11.3) of the General Ordinances of Milwaukee County is amended to read as follows:

11.3. Eligible Retirement Plan.

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 distributee's surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

Section 16. Effective January 1, 2010, the following is added at the end of section 203(11.3) of the General Ordinances of Milwaukee County:

Effective for eligible rollover distributions made on or after January 1, 2008, an eligible retirement plan shall also mean a Roth individual retirement account described in Code Section 408A