

September 18, 2013

Mr. Michael Mayo
Chair of the Pension Study Commission
Milwaukee County Employee's Retirement System
901 North 9th Street
Milwaukee, WI 53233

Re: **Actuary's Review of Proposed Ordinance Amendment to the Employees'
Retirement System for State-Mandated Employee Pension Contributions - Update**

Dear Mr. Mayo:

When the 6.59% contribution for public safety employees was developed, it was based upon our analysis dated July 11, 2011. Our expectation at that time was that all member contributions would be adjusted annually following each actuarial valuation.

Based on our conversation, we understand that the contribution amount in the MDSA contract was instead set specifically as 6.59% of member pay and the annual member contribution adjustment has not occurred. Changing member contributions in the MDSA contract from "6.59%" of pay to "one-half" of the annual required contribution (ARC) for these members as calculated by the actuary is consistent with our prior expectations and is consistent with our prior actuarial report and analysis. Therefore, making this change in the MDSA contract would not result in any change to the actuarial analysis of member contributions contained in our prior report.

I would be delighted to discuss more.

Sincerely,



Larry Langer, FCA, ASA, EA, MAAA
Principal, Consulting Actuary

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