

COUNTY OF MILWAUKEE
Interoffice Memorandum

DATE: September 22, 2020

TO: Milwaukee County Board Supervisors

FROM: Supervisor Willie Johnson, Jr., Chairman, Pension Study Commission

SUBJECT: A Resolution/Ordinance to amend Sections 201.24(3.5), (4.5), (5.16), (7.1) and (11.11) of the Milwaukee County Code of General Ordinances, to conform the terms of the Plan document to past administration and comply with the corrections approved by the Internal Revenue Service ("IRS"). (File No. 20-604)

The Pension Study Commission (PSC) is charged with issuing a written report on the actuarial effect, cost implications and desirability of proposed changes to the pension system. At its meeting on September 22, 2020, the PSC reviewed File No. 20-604, which outlines proposed amendments to Sections 201.24(3.5), (4.5), (5.16), (7.1) and (11.11) of the Milwaukee County Code of General Ordinances. The ordinance amendments are necessary to correct five of the categories of errors identified on the Voluntary Correction Program (VCP) filing with the Internal Revenue Service (IRS). This includes corrections of errors related to Deferred Vested Benefits, Refunds of Membership Accounts Upon Death, Election of Backdrop by Beneficiaries, Minimum Distribution Incidental Benefit, and a Correction to the 2007 VCP.

The PSC reviewed File No. 20-604, which includes a summary memo, Resolution/Ordinance, Fiscal Note, Actuary Report from Segal, and a response from the Pension Board. The Pension Board reviewed the File and provided the following commentary:

“In accordance with the Voluntary Correction Program Compliance Statement approved by the Internal Revenue Service, the Pension Board adopted the amendments to Rule 202 and corrected those applicable errors. The Pension Board encourages the County Board to proceed to adopt the Ordinance amendments to correct other errors as required under the Compliance Statement. This will assist in closing out the Compliance Statement and protect the tax-qualified status of ERS.”

The Retirement Plan Services Director outlined the need for each of the areas of correction and responded to questions from the Pension Study Commission. A review of the fiscal note and actuary’s report indicate that the proposed changes will not have a fiscal impact. Based on the information presented and contained in File No. 20-604, the Pension Study Commission voted (Vote 4-0) on the motion to recommend approval of the resolution/ordinance and recommend the Milwaukee County Board of Supervisors adopt the ordinance amendments.

Respectfully submitted,

Willie Johnson, Jr.

Willie Johnson, Jr., Chairman
Pension Study Commission

cc: County Executive David Crowley
Margaret Daun, Corporation Counsel
Erika Bronikowski, Interim Director, Retirement Plan Services
Anne Kearney, Deputy Corporation Counsel
Steve Cady, Research and Policy Director, Office of the Comptroller
Shanin Brown, Committee Coordinator, County Clerk