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2 FROM THE OFFICE OF JOSPEH J. CZARNEZKI
3 MILWAUKEE COUNTY CLERK
4

5 County Ordinance No. 16-18
6

7 File No. 16-411
8

9 AN ORDINANCE
10

11 The County Board of Supervisors of the County of Milwaukee does ordain as follows:
12

13 **Section 1.** Section 201.24(11.1) is hereby amended to read as follows effective as of
14 the dates stated within:
15

16 **11.1. Reemployment of former members.**
17

- 18 (1) Effective from January 1, 1986 through June 30, 2007, should any member who
19 terminated and withdrew his membership account return to active service, his
20 service credits which he had at the time of such separation shall be restored to
21 him, provided he renders two (2) years of service subsequent to his restoration to
22 membership and provided further that within a thirty year period he redeposits
23 the amount of any accumulated contributions withdrawn from his membership
24 account at the time of his separation from the service, with interest thereon to
25 date of redeposit. If he does not elect to restore his prior service credit by
26 redepositing his accumulated contribution during said period of employment, the
27 prior service credits shall be canceled and service credited only from the date his
28 most recent reemployment period commenced.
29

30 Effective from January 1, 1990 through June 30, 2007, notwithstanding anything
31 to the contrary in the Ordinances or Rules, a member who terminated County
32 employment to become employed by United Regional Medical Services, Inc. in
33 conjunction with the joint venture between the County and Froedtert Memorial
34 Lutheran Hospital or who terminated County employment to become employed
35 by Froedtert Memorial Lutheran Hospital in conjunction with the sale of Doyne
36 Hospital or who retired from County employment pursuant to Ordinance section
37 201.24(4.25) or Ordinance section 201.24(4.26) may make payments to
38 purchase permissive service credit or to repurchase previously forfeited service
39 credit for up to two years following termination of County employment as long as
40 that member had an otherwise completed purchase or repurchase of service
41 credit as of July 1, 2007.
42

- 43 (2) Effective from July 1, 2007 through December 31, 2014, for any redeposit that a
44 member completes on or after July 1, 2007, the member must complete the
45 redeposit within the two year period after returning to active service rather than a
46 thirty year period. Prior service credit will not be restored until the entire amount

47 previously withdrawn is redeposited. If he does not elect to restore his prior
48 service credit by redepositing his accumulated contribution during said period of
49 employment, the prior service credits shall be canceled and service credited only
50 from the date his most recent reemployment period commenced.

51
52 (3) Any person who was an employee of the county on June 4, 1937, but did not
53 elect to become a member until a later date, may receive credit for his service as
54 a county employe prior to his membership by depositing in his membership
55 account before January 1, 1970, the contributions which he would have made as
56 a member during the period from June 3, 1937 to the date he became a member
57 together with interest to date of deposit. Effective January 1, 1982, any
58 payments to repurchase previously forfeited service credit are subject to all other
59 requirements contained within the Ordinances and Rules.

60
61 (4) Should any member who is eligible to receive a deferred vested pension under
62 section 4.5 return to active service, he shall again become an active member of
63 the retirement system and shall resume contributions. Upon his subsequent
64 retirement, he shall be credited with all the service giving rise to his deferred
65 vested pension benefit as well as his service as a member subsequent to his
66 reemployment for purposes of redetermining the amount of his pension.

67
68 (5) Any member who terminated and withdrew his accumulated contributions
69 because of membership in the sheriffs' annuity and benefit fund of the county
70 shall have restored to him all service credits which he had at the time of such
71 termination, provided that within one (1) year from July 9, 1969, he redeposits the
72 amount of any accumulated contributions withdrawn at the time of his termination
73 with interest thereon to the date of redeposit.

74
75 (6) Notwithstanding the foregoing, members may not redeposit under this section
76 11.1 accumulated contributions previously refunded to the member under [section](#)
77 [3.11](#).

78
79 (7) Effective January 1, 1982, any payments to purchase permissive service credit
80 are subject to all other requirements contained within the Ordinances and Rules.

81
82 **Section 2.** Effective January 1, 2015, Section 201.24(11.1) is amended to read as
83 follows in its entirety:

84
85 **11.1. Reemployment of former members.**

86
87 (1) ~~Effective from January 1, 1986 through June 30, 2007, should any member who~~
88 ~~terminated and withdrew his membership account return to active service, his~~
89 ~~service credits which he had at the time of such separation shall be restored to~~
90 ~~him, provided he renders two (2) years of service subsequent to his restoration to~~
91 ~~membership and provided further that within a thirty year period he redeposits~~
92 ~~the amount of any accumulated contributions withdrawn from his membership~~

93 account at the time of his separation from the service, with interest thereon to
94 date of redeposit. If he does not elect to restore his prior service credit by
95 redepositing his accumulated contribution during said period of employment, the
96 prior service credits shall be canceled and service credited only from the date his
97 most recent reemployment period commenced.
98

99 ~~Effective from January 1, 1990 through June 30, 2007, notwithstanding anything~~
100 ~~to the contrary in the Ordinances or Rules, a member who terminated County~~
101 ~~employment to become employed by United Regional Medical Services, Inc. in~~
102 ~~conjunction with the joint venture between the County and Froedtert Memorial~~
103 ~~Lutheran Hospital or who terminated County employment to become employed~~
104 ~~by Froedtert Memorial Lutheran Hospital in conjunction with the sale of Doyne~~
105 ~~Hospital or who retired from County employment pursuant to Ordinance section~~
106 ~~201.24(4.25) or Ordinance section 201.24(4.26) may make payments to~~
107 ~~purchase permissive service credit or to repurchase previously forfeited service~~
108 ~~credit for up to two years following termination of County employment as long as~~
109 ~~that member had an otherwise completed purchase or repurchase of service~~
110 ~~credit as of July 1, 2007.~~
111

112 (2) ~~Effective from July 1, 2007 through December 31, 2014, for any redeposit that a~~
113 ~~member completes on or after July 1, 2007, the member must complete the~~
114 ~~redeposit within the two year period after returning to active service rather than a~~
115 ~~thirty year period. Prior service credit will not be restored until the entire amount~~
116 ~~previously withdrawn is redeposited. If he does not elect to restore his prior~~
117 ~~service credit by redepositing his accumulated contribution during said period of~~
118 ~~employment, the prior service credits shall be canceled and service credited only~~
119 ~~from the date his most recent reemployment period commenced.~~
120

121 (3) ~~Any person who was an employee of the county on June 4, 1937, but did not~~
122 ~~elect to become a member until a later date, may receive credit for his service as~~
123 ~~a county employe prior to his membership by depositing in his membership~~
124 ~~account before January 1, 1970, the contributions which he would have made as~~
125 ~~a member during the period from June 3, 1937 to the date he became a member~~
126 ~~together with interest to date of deposit. Effective January 1, 1982, any~~
127 ~~payments to repurchase previously forfeited service credit are subject to all other~~
128 ~~requirements contained within the Ordinances and Rules.~~
129

130 (4) Should any member who is eligible to receive a deferred vested pension under
131 section 4.5 return to active service, he shall again become an active member of
132 the retirement system and shall resume contributions. Upon his subsequent
133 retirement, he shall be credited with all the service giving rise to his deferred
134 vested pension benefit as well as his service as a member subsequent to his
135 reemployment for purposes of redetermining the amount of his pension.
136

137 (5) Any member who terminated and withdrew his accumulated contributions
138 because of membership in the sheriffs' annuity and benefit fund of the county

139 shall have restored to him all service credits which he had at the time of such
140 termination, provided that within one (1) year from July 9, 1969, he redeposits the
141 amount of any accumulated contributions withdrawn at the time of his termination
142 with interest thereon to the date of redeposit.

143
144 (6) Notwithstanding the foregoing, members may not redeposit under this section
145 11.1 accumulated contributions previously refunded to the member under [section](#)
146 [3.11](#).

147
148 (7) Effective January 1, 1982, any payments to purchase permissive service credit
149 are subject to all other requirements contained within the Ordinances and Rules.

150
151 **Section 3.** Effective January 1, 1998, section 201.24(12.4) is amended to read as
152 follows:

153
154 **12.4. Maximum permissible amount of annual additions.**

155
156 This section 12.4 shall limit contributions and allocations to a member's savings account
157 and membership account.

158
159 (1) The annual addition to a member's savings account and membership account
160 that is subject to testing pursuant to Internal Revenue Code section 415(c) for
161 any limitation year shall not exceed the Code section 415(c) limit ("415(c) Limit"),
162 which is hereby incorporated by reference, the lesser of:

163
164 (a) The defined contribution dollar limitation provided in Internal Revenue
165 Code section 415(c)(1)(A), or such successor provision of the Internal
166 Revenue Code, as adjusted for cost of living adjustments pursuant to
167 Internal Revenue Code section 415(d); or

168
169 (b) One hundred (100) percent of the compensation paid or made available to
170 the member for such year.

171
172 If a member's payment to purchase prior or permissive service credit would otherwise
173 exceed the 415(c) limit for a calendar year, then it shall be corrected to the extent
174 provided by the terms of the voluntary correction program compliance statement which
175 shall be designed to correct failures to comply in operation with the 415(c) limit and
176 agreed to by the county for violations beginning in 1982.

177
178 (2) Effective for limitation years beginning in 1987, the "annual addition" shall mean
179 the sum allocated to a member's account for any year of contributions pursuant to the
180 system and allocated to this benefit pursuant to all other defined contribution plans
181 maintained by the county for the limitation year, including employe contributions.
182 Contributions allocated to any individual accounts which are part of a pension or annuity
183 plan under Internal Revenue Code Sections 415(1) and 419(A)(d)(2) shall be treated as
184 annual additions to a defined contribution plan. However, repayment contributions,

185 including interest thereon, made to the system with respect to amounts previously
186 refunded upon a forfeiture of service credit under the system shall not be included in an
187 annual addition. However, subsection 12.4(1)(b) above shall not apply to any accounts
188 treated as an annual addition under the preceding sentence.

189
190 The annual addition shall not include the allocation to a member's account of income.

191
192 (3) Other than as discussed in subsection (1) above, for limitation years beginning
193 before July 1, 2007, if the annual additions for a particular member would cause the
194 limitations of Internal Revenue Code Section 415 for the limitation year to be exceeded
195 as a result of the allocation of forfeitures, a reasonable error in estimating a member's
196 annual compensation or a reasonable error in determining the amount of elective
197 deferrals under Internal Revenue Code Section 402(g)(3), the pension board shall
198 reallocate the excess of a member's annual addition over the limits stated above in
199 accordance with the following subsections:

- 200
201 (a) The excess amount may be used to reduce the county contributions for
202 the next (or succeeding, if necessary) limitation year for the member who
203 incurred the excess amounts provided the member is covered by the
204 system at the end of such limitation year. If the member is no longer
205 covered by the system as of the end of the limitation year, the excess
206 amounts shall be held unallocated in a suspense account and reallocated
207 in the next limitation year to all remaining members in the system as a
208 reduction of such members' county contributions.
- 209
210 (b) The excess amount may be held unallocated in a suspense account for
211 the limitation year and used to reduce the county contributions for the next
212 (or succeeding, if necessary) limitation year to all members in the system.
- 213
214 (c) Excess amounts attributable to employe contributions shall be refunded to
215 the member.

216
217 **Section 4.** Effective January 1, 2008, section 201.24(12.8) is amended to read as
218 follows:

219
220 **12.8. Compensation.**

221 Compensation, for the purposes of this section, means "participant's
222 compensation," as defined in Internal Revenue Code section 415(c)(3) and Treasury
223 regulation section 1.415(c)-2(a), hereby incorporated by reference, and, except as
224 otherwise provided below, paid prior to the member's severance from employment and
225 the regulations thereunder, including elective contributions made by the county on
226 behalf of the member that are not includable in income under Internal Revenue Code
227 sections 125, 132(f)(4), 401(h)(2), 402(e)(3), 402(h) or 403(b). Compensation for a
228 limitation year includes compensation paid by the later of 2-1/2 months after a member's
229 severance from employment with the county or the end of the limitation year that
230 includes the date of the member's severance from employment with the county if the

231 payment is regular compensation for services during the member's regular working
232 hours, or compensation for services outside the member's regular working hours (such
233 as overtime or shift differential), commissions, bonuses or other similar payments, and
234 the payment would have been made to the member prior to a severance from
235 employment if the member had continued in employment with the county. Payments
236 not described in the prior sentence shall not be considered compensation if paid after
237 severance from employment, even if paid within the time period referenced above.

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**Adopted by the Milwaukee County Board of Supervisors
July 28, 2016**