

**COUNTY OF MILWAUKEE**  
**Interoffice Memorandum**

DATE: April 15, 2011

TO: County Board Supervisors

FROM: Supervisor Paul M. Cesarz, Chairman, Pension Study Commission

SUBJECT: Review and approval of proposed change to the employees' retirement system (Ord. File No. 11-4)

A resolution submitted by the Office of Corporation Counsel proposes changes to sections of Chapter 201 of the Code of General Ordinances to remediate discrepancies in the pension ordinance that would permit certain existing represented employees to qualify for the pension benefit known as "Rule of 75" upon promotion to an unrepresented Correction Officer Lieutenant position. Pursuant to Chapter 200 of the Milwaukee County Code of General Ordinances, the Pension Study Commission has the "obligation to study and report to the county board on all proposed changes in the employees' retirement system of the county" prior to consideration by the full Board. Consistent with that charge, this memorandum serves to advise the County Board as to the actuarial effect, the cost implications and the desirability of the proposed change.

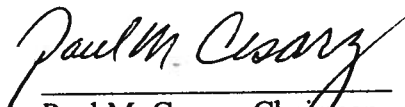
At its meeting on April 15, 2011, the Commission reviewed the actuarial analyses prepared by Buck Consultants, Inc. The actuarial review shows:

*[E]liminating the Rule of 75 provision for future appointments reduces the average liability from about \$102,000 to \$90,000, or about \$12,000 per person. Thus by eliminating the Rule of 75, it is our opinion that the savings from this proposal will be approximately, on average, about \$12,000 per future appointment.*

The Buck analysis is attached for your information.

After reviewing the actuarial report and the proposed changes to the ERS, the Pension Study Commission voted to recommend that the Milwaukee County Board of Supervisors approve Ord. File No. 11-4. (Vote 3-0).

Respectfully submitted,

  
\_\_\_\_\_  
Paul M. Cesarz, Chairman  
Pension Study Commission

Cc: County Executive  
Commission members