



Milwaukee County Retirement Plan Services

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www.County.Milwaukee.Gov/Retirement

Date: November 11, 2019
To: Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors
From: Erika Bronikowski, Interim Director, Retirement Plan Services

A handwritten signature in blue ink, appearing to be "Erika Bronikowski".

Subject: Informational Report Regarding Pension Overpayment Ordinance Amendment

At its March 2019 meeting, the Milwaukee County Board of Supervisors voted to approve a resolution that provided procedures to resolve payment errors. This resolution included the creation of Chapter 201.24 (8.24). Retirement Plan Services has implemented these changes and is providing an informational report on the status of the overpayments for Quarter 2 of 2019. For reference, this resolution is associated with File number [18-802](#).

In accordance with Chapter 201.24 (8.24) of the Milwaukee County General Ordinance, Retirement Plan Services provided "Notices of Overpayment" to 68 payees as of July 31, 2019. These payees have two repayment options and three repayment methods as described below.

Two Repayment Options

Each payee with an overpayment may elect one of two repayment options. These payment options are distinguished by the responsibility of payment of interest that has been applied to the overpayment.

Repayment Option 1: Pursuant to Milwaukee County Ordinance Chapter 201.24 (8.24), the payee agrees "...to waive any and all claims and rights to challenge the benefit correction and recoupment..." and is responsible for repaying the Principal Amount Owed. Milwaukee County is responsible for the interest applied to the overpayment.

Repayment Option 2: The payee is responsible for repaying the Total Amount Owed which includes both the principal overpayment and the interest applied to the overpayment.

Two Repayment Methods

Repayment Method 1 Voluntary Lump Sum (VLS): Payee may elect Option 1 or 2 and repay their amount owed as a lump sum.

Repayment Method 2 Voluntary Repayment/Offset Plan: Payee may elect Option 1 or 2 and repay their amount owed as a monthly installment (either as a payment submitted to the ERS trust or as an offset to an ongoing benefit).

Voluntary Offset Plan (VOP): This method is available to individuals who continue to be paid a monthly benefit. Their corrected monthly payment is reduced by a certain amount (between 10% and 25%) until the overpayment is repaid.

Voluntary Repayment Plan (VRP): This method is available to individuals who do not receive a monthly benefit. They may make monthly payments until the overpayment is repaid.

Hardship Offset Plan: A payee may apply to repay at a rate of only 5% of their monthly benefit amount if they meet certain criteria outlined in Milwaukee County Ordinance Chapter 201.24 (8.24).

Repayment Method 3 Involuntary Repayment/Offset Plan (IOP): Payee does not make an election and is placed into option 2. Their corrected monthly payment is reduced by a 25% until the overpayment is repaid.

Table 1: Notices of Overpayment sent via certified mail on July 31, 2019

The disposition of those 68 identified overpayments is reflected in the table below:

July 31, 2019 Overpayment Letters Mailed					
	Method 1 (VLS)	Method 2 (VOP/VRP)	Method 2 (Hardship Offset Plan)	Method 3 (IOP)	Total
Option 1	17	17	2	0	36
Option 2	1	12	0	7	20
No Response AND not Receiving Benefit	-	-	-	-	7
De minimis with Appeal	-	-	-	-	3
Converted to Underpayment	-	-	-	-	1
No Response due to Appeal Request	-	-	-	-	1
				Total Letters Mailed	68

There are five members that have opted to appeal and one of those members has not responded to the Notice of Overpayment.

Thank you.

Cc:

Supervisor James Schmitt, Chairman, Finance and Audit Committee
 Supervisor Eddie Cullen, Chairman, Personnel Committee
 Chris Abele, County Executive
 Julie Landry, Chief Human Resources Officer
 Finance and Audit Committee
 Personnel Committee
 Raisa Koltun, Chief of Staff, Office of the County Executive
 Teig Whaley-Smith, Director, Department of Administrative Services
 Scott Manske, Comptroller
 Jennifer Folliard Director of Audit, Office of the Comptroller
 Steve Cady, Research and Policy Director, Office of the Comptroller
 Margaret Daun, Corporation Counsel