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

4
5 **County Ordinance No. 15-4**

6
7 **File No. 15-31**

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9
10 **AN ORDINANCE**

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

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16 **SECTION 1.** Effective upon adoption, section 201.24(8.17) is hereby amended to read
17 as follows:

18
19 **8.17. Other powers.**

20
21 The board shall have the power to construe and interpret the system, decide all
22 questions of eligibility and determine the amount, manner and time of payment of any
23 benefits and reasonable administrative expenses hereunder. The board may, in its
24 discretion, deny membership to any class of employes whose compensation is only
25 partially paid by the county or who are serving on a temporary or other than per annum
26 basis, and it may, in its discretion, make optional with persons in any class their
27 individual entrance into membership.

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29 The pension board shall be given no less than thirty (30) days to comment in
30 writing to the county executive and the county board upon the fiscal impact of proposed
31 benefit changes referred from the county board. The pension board may request of the
32 county board an extension of time to comment. In making its referral, the county board
33 shall make full disclosure to the pension board of all actuarial information utilized in the
34 proposed benefit changes.

35
36 **SECTION 2.** Section 201.24(11.1) is hereby amended to read as follows effective as of
37 the dates stated within:

38
39 **11.1 Reemployment of former members.**

40
41 (1) Effective from January 1, 1982, through June 30, 2007, Sshould any
42 member who terminated and withdrew his membership account return to
43 active service, his service credits which he had at the time of such
44 separation shall be restored to him, provided he renders two (2) years of
45 service subsequent to his restoration to membership and provided further
46 that within a thirty year period ~~the two-year period or on or before December~~

47 31, 1971, whichever date is later, he redeposits the amount of any
48 accumulated contributions withdrawn from his membership account at the
49 time of his separation from the service, with interest thereon to date of
50 reposit. If he does not elect to restore his prior service credit by
51 repositing his accumulated contribution during said period of employment,
52 the prior service credits shall be canceled and service credited only from the
53 date his most recent reemployment period commenced.

54
55 Effective from January 1, 1982 through June 30, 2007, notwithstanding
56 anything to the contrary in the Ordinances or Rules, a member who
57 terminated County employment to become employed by United Regional
58 Medical Services, Inc. in conjunction with the joint venture between the
59 County and Froedtert Memorial Lutheran Hospital or who terminated
60 County employment to become employed by Froedtert Memorial Lutheran
61 Hospital in conjunction with the sale of Dohne Hospital or who retired
62 from County employment pursuant to Ordinance section 201.24(4.25) or
63 Ordinance section 201.24(4.26) may make payments to purchase
64 permissive service credit or to repurchase previously forfeited service
65 credit for up to two years following termination of County employment as
66 long as that member had an otherwise completed purchase or repurchase
67 of service credit as of July 1, 2007.

68
69 (2) Effective from July 1, 2007, through December 31, 2014, for any reposit
70 that a member completes on or after July 1, 2007, the member must
71 complete the reposit within the two year period after returning to active
72 service rather than a thirty year period. Prior service credit will not be
73 restored until the entire amount previously withdrawn is reposit. If he
74 does not elect to restore his prior service credit by repositing his
75 accumulated contribution during said period of employment, the prior
76 service credits shall be canceled and service credited only from the date his
77 most recent reemployment period commenced.

78
79 (3) Any person who was an employee of the county on June 4, 1937, but did
80 not elect to become a member until a later date, may receive credit for his
81 service as a county employe prior to his membership by depositing in his
82 membership account before January 1, 1970, the contributions which he
83 would have made as a member during the period from June 3, 1937, to the
84 date he became a member together with interest to date of deposit.
85 Effective January 1, 1982, any payments to repurchase previously forfeited
86 service credit are subject to all other requirements contained within the
87 Ordinances and Rules.

88
89 (4) Should any member who is eligible to receive a deferred vested pension
90 under section 4.5 return to active service, he shall again become an active
91 member of the retirement system and shall resume contributions. Upon his
92 subsequent retirement, he shall be credited with all the service giving rise to

93 his deferred vested pension benefit as well as his service as a member
94 subsequent to his reemployment for purposes of redetermining the amount
95 of his pension.

96
97 (5) Any member who terminated and withdrew his accumulated contributions
98 because of membership in the sheriffs' annuity and benefit fund of the
99 county shall have restored to him all service credits which he had at the time
100 of such termination, provided that within one (1) year from July 9, 1969, he
101 redeposits the amount of any accumulated contributions withdrawn at the
102 time of his termination with interest thereon to the date of redeposit.

103
104 (6) Notwithstanding the foregoing, members may not redeposit under this
105 section 11.1 accumulated contributions previously refunded to the member
106 under section 3.11.

107
108 (7) Effective January 1, 1982, any payments to purchase permissive service
109 credit are subject to all other requirements contained within the Ordinances
110 and Rules.

111
112 **SECTION 3.** Effective January 1, 2015, section 201.24(11.1) is amended to read as
113 follows in its entirety:

114
115 **11.1. Reemployment of former members.**

116
117 ~~(1) Effective from January 1, 1982, through June 30, 2007, Sshould any~~
118 ~~member who terminated and withdrew his membership account return to~~
119 ~~active service, his service credits which he had at the time of such~~
120 ~~separation shall be restored to him, provided he renders two (2) years of~~
121 ~~service subsequent to his restoration to membership and provided further~~
122 ~~that within a thirty year period the two-year period or on or before December~~
123 ~~31, 1971, whichever date is later, he redeposits the amount of any~~
124 ~~accumulated contributions withdrawn from his membership account at the~~
125 ~~time of his separation from the service, with interest thereon to date of~~
126 ~~redeposit. If he does not elect to restore his prior service credit by~~
127 ~~redepositing his accumulated contribution during said period of employment,~~
128 ~~the prior service credits shall be canceled and service credited only from the~~
129 ~~date his most recent reemployment period commenced.~~

130
131 ~~Effective from January 1, 1982 through June 30, 2007, notwithstanding~~
132 ~~anything to the contrary in the Ordinances or Rules, a member who~~
133 ~~terminated County employment to become employed by United Regional~~
134 ~~Medical Services, Inc. in conjunction with the joint venture between the~~
135 ~~County and Froedtert Memorial Lutheran Hospital or who terminated~~
136 ~~County employment to become employed by Froedtert Memorial Lutheran~~
137 ~~Hospital in conjunction with the sale of Doyne Hospital or who retired~~
138 ~~from County employment pursuant to Ordinance section 201.24(4.25) or~~

139 Ordinance section 201.24(4.26) may make payments to purchase
140 permissive service credit or to repurchase previously forfeited service
141 credit for up to two years following termination of County employment as
142 long as that member had an otherwise completed purchase or repurchase
143 of service credit as of July 1, 2007.
144

145 (2) Effective from July 1, 2007, through December 31, 2014, for any redeposit
146 that a member completes on or after July 1, 2007, the member must
147 complete the redeposit within the two year period after returning to active
148 service rather than a thirty year period. Prior service credit will not be
149 restored until the entire amount previously withdrawn is redeposited. If he
150 does not elect to restore his prior service credit by redepositing his
151 accumulated contribution during said period of employment, the prior
152 service credits shall be canceled and service credited only from the date his
153 most recent reemployment period commenced.
154

155 (3) Any person who was an employee of the county on June 4, 1937, but did
156 not elect to become a member until a later date, may receive credit for his
157 service as a county employe prior to his membership by depositing in his
158 membership account before January 1, 1970, the contributions which he
159 would have made as a member during the period from June 3, 1937, to the
160 date he became a member together with interest to date of deposit.
161 Effective January 1, 1982, any payments to repurchase previously forfeited
162 service credit are subject to all other requirements contained within the
163 Ordinances and Rules.
164

165 (4) Should any member who is eligible to receive a deferred vested pension
166 under section 4.5 return to active service, he shall again become an active
167 member of the retirement system and shall resume contributions. Upon his
168 subsequent retirement, he shall be credited with all the service giving rise to
169 his deferred vested pension benefit as well as his service as a member
170 subsequent to his reemployment for purposes of redetermining the amount
171 of his pension.
172

173 (5) Any member who terminated and withdrew his accumulated contributions
174 because of membership in the sheriffs' annuity and benefit fund of the
175 county shall have restored to him all service credits which he had at the time
176 of such termination, provided that within one (1) year from July 9, 1969, he
177 redeposits the amount of any accumulated contributions withdrawn at the
178 time of his termination with interest thereon to the date of redeposit.
179

180 (6) Notwithstanding the foregoing, members may not redeposit under this
181 section 11.1 accumulated contributions previously refunded to the member
182 under section 3.11.
183

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

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188 **SECTION 4.** Effective January 1, 2002, section 201.24(11.11) is created to read as
189 follows:

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191 **11.11. Assets for purchasing permissive service credit.**

192
193 Effective January 1, 2002, for payments made prior to July 1, 2007, subject to all
194 other requirements contained within the Ordinances and Rules with regard to
195 purchases of service credit, at a member's request, and consistent with the
196 requirements of applicable Internal Revenue Code provisions, a member may
197 use amounts held in the member's name pursuant to Milwaukee County's
198 Internal Revenue Code section 457 deferred compensation plan or an individual
199 retirement account described in Internal Revenue Code section 408 to purchase
200 permissive service credit, as described in Rule 207 of the employees retirement
201 system, or to repurchase previously forfeited service credit for which the member
202 received a benefit distribution from the employees retirement system pursuant to
203 section 11.1.

204
205 **SECTION 5.** Effective January 1, 1982, section 201.24(12.4) is created to read as
206 follows:

207
208 **12.4. Maximum permissible amount of annual additions.**

209
210 This section 12.4 shall limit contributions and allocations to a member's savings
211 account and membership account.

212
213 (1) The annual addition to a member's savings account and membership
214 account that is subject to testing pursuant to Internal Revenue Code
215 section 415(c) for any limitation year shall not exceed the Code section
216 415(c) limit ("415(c) Limit"), which is the lesser of:

217
218 (a) The greater of thirty thousand dollars (\$30,000.00) or twenty-five
219 (25) percent of the defined benefit dollar limitation recited in Internal
220 Revenue Code Section 415(b)(1)(A) for such year; or

221
222 (b) Twenty-five (25) percent of the compensation paid or made
223 available to the member for such year.

224
225 If a member's payment to purchase prior or permissive service credit
226 would otherwise exceed the 415(c) Limit for a calendar year, then it shall
227 be corrected to the extent provided by the terms of the Voluntary
228 Correction Program compliance statement which shall be designed to

229 correct failures to comply in operation with the 415(c) Limit and agreed to
230 by the County for violations beginning in 1982.

231
232 (2) Effective for limitation years beginning in 1987, the "annual addition" shall
233 mean the sum allocated to a member's account for any year of
234 contributions pursuant to the system and allocated to this benefit pursuant
235 to all other defined contribution plans maintained by the county for the
236 limitation year, including employe contributions. Contributions allocated to
237 any individual accounts which are part of a pension or annuity plan under
238 Internal Revenue Code Sections 415(1) and 419(A)(d)(2) shall be treated
239 as annual additions to a defined contribution plan. However, subsection
240 12.4(1)(b) above shall not apply to any accounts treated as an annual
241 addition under the preceding sentence.

242
243 The annual addition shall not include the allocation to a member's account
244 of income.

245
246 (3) Other than as discussed in subsection (1) above, the pension board shall
247 reallocate the excess of a member's annual addition over the limits stated
248 above in accordance with the following subsections:

249
250 (a) The excess amount may be used to reduce the county
251 contributions for the next (or succeeding, if necessary) limitation
252 year for the member who incurred the excess amounts provided the
253 member is covered by the system at the end of such limitation year.
254 If the member is no longer covered by the system as of the end of
255 the limitation year, the excess amounts shall be held unallocated in
256 a suspense account and reallocated in the next limitation year to all
257 remaining members in the system as a reduction of such members'
258 county contributions.

259
260 (b) The excess amount may be held unallocated in a suspense
261 account for the limitation year and used to reduce the county
262 contributions for the next (or succeeding, if necessary) limitation
263 year to all members in the system.

264
265 (c) Excess amounts attributable to employe contributions shall be
266 refunded to the member.

267
268 **SECTION 6.** Effective January 1, 2002, section 201.24(12.4) is amended to read as
269 follows:

270
271 **12.4. Maximum permissible amount of annual additions.**

272
273 This section 12.4 shall limit contributions and allocations to a member's savings
274 account and membership account.

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

- (a) The defined contribution dollar limitation provided in Internal Revenue Code section 415(c)(1)(A), or such successor provision of the Internal Revenue Code, as adjusted for cost of living adjustments pursuant to Internal Revenue Code section 415(d); ~~The greater of thirty thousand dollars (\$30,000.00) or twenty-five (25) percent of the defined benefit dollar limitation recited in Internal Revenue Code Section 415(b)(1)(A) for such year ;or~~
- (b) One hundred (100) ~~Twenty-five (25)~~ percent of the compensation paid or made available to the member for such year.

If a member's payment to purchase prior or permissive service credit would otherwise exceed the 415(c) Limit for a calendar year, then it shall be corrected to the extent provided by the terms of the Voluntary Correction Program compliance statement which shall be designed to correct failures to comply in operation with the 415(c) Limit and agreed to by the County for violations beginning in 1982

(2) Effective for limitation years beginning in 1987, the "annual addition" shall mean the sum allocated to a member's account for any year of contributions pursuant to the system and allocated to this benefit pursuant to all other defined contribution plans maintained by the county for the limitation year, including employe contributions. Contributions allocated to any individual accounts which are part of a pension or annuity plan under Internal Revenue Code sections 415(1) and 419(A)(d)(2) shall be treated as annual additions to a defined contribution plan. However, subsection 12.4(1)(b) above shall not apply to any accounts treated as an annual addition under the preceding sentence.

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

(3) Other than as discussed in subsection (1) above, ~~the~~ the pension board shall reallocate the excess of a member's annual addition over the limits stated above in accordance with the following subsections:

- (a) The excess amount may be used to reduce the county contributions for the next (or succeeding, if necessary) limitation year for the member who incurred the excess amounts provided the member is covered by the system at the end of such limitation year.

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If the member is not longer covered by the system as of the end of the limitation year, the excess amounts shall be held unallocated in a suspense account and reallocated in the next limitation year to all remaining members in the system as a reduction of such members' county contributions.

- (b) The excess amount may be held unallocated in a suspense account for the limitation year and used to reduce the county contributions for the next (or succeeding, if necessary) limitation year to all members in the system.
- (c) Excess amounts attributable to employe contributions shall be refunded to the member.

**Adopted by the Milwaukee County Board of Supervisors
February 5, 2015**