

COUNTY OF MILWAUKEE
Interoffice Memorandum

DATE: February 1, 2012

TO: County Board Supervisors

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

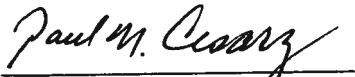
SUBJECT: Review and approval of proposed changes to the OBRA pension system

Following an audit by the IRS, the Pension Board received a favorable determination letter that the OBRA retirement system will retain its status as a tax-qualified pension plan provided the plan adopt a number of technical amendments to remain in compliance with the law. 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 January 27, 2012, the Commission reviewed the actuarial analysis prepared by Buck Consultants, Inc. The actuary notes in his analysis that **"[i]n general, while these changes are necessary to comply with the Internal Revenue Code, these changes have no actuarial impact either due to the plan already operating in compliance with the code or because the change has no actuarial impact or both."** The actuarial analysis is attached for your information.

After reviewing the actuarial report and the proposed changes to the OBRA system and Chapter 203 of the Ordinances, the Pension Study Commission voted to recommend that the Milwaukee County Board of Supervisors approve the corresponding file 12-54 (Vote 4-0).

Respectfully submitted,



Paul M. Cesarz, Chairman
Pension Study Commission

Cc: County Executive
Commission members