

MILWAUKEE COUNTY BOARD OF SUPERVISORS

DATE: March 14, 2019

AMENDMENT NO. 3 to Item #17

Resolution File No.

Ordinance File No. 18-802

COMMITTEE: Finance and Audit

OFFERED BY SUPERVISOR(S): Weishan, Jr. and Lipscomb, Sr.

ADD AND/OR DELETE AS FOLLOWS:

Amend the language beginning on or near line 326 as follows:

(Note: This amendment is reflected by double underline or ~~double strikethrough~~)

Under Option 1, a member or beneficiary must agree to the benefit correction, accept the County's payment of the TAO on the member's behalf and, agree to waive any and all claims and rights to challenge the benefit correction and recoupment, whether by a VLS, VRP, or VOP as defined in subsection 8.24(3)(h). Under Option 1, the member is only responsible for the PAO, and if a VRP or VOP is required, ~~the no interest on the PAO will not begin to accrue for one year (a grace period) and it will be at the lower County Interest Rate under subsection 8.24(4).~~

Amend the language beginning on or near line 368 as follows:

Under Option 2, a member or beneficiary wishes to potentially dispute the benefit correction now or in the future, and therefore, the member or beneficiary rejects the County's payment of the TAO on the member's behalf and refuses to waive any and all claims and rights to challenge the benefit correction and recoupment. Under Option 2, the member or beneficiary will be responsible for the entire amount of the TAO, and if a VRP, VOP, or IOP is required, as well as interest on the entire TAO that will continue to accrue ~~(no grace period)~~ at the higher Pension Interest Rate under subsection 8.24(4).

Amend the language beginning on or near line 527 as follows:

- (1) Applicable Interest –
 - (a) The calculation of underpayments and overpayments, including the calculation of a TAO, shall include simple interest at a rate of five percent (5%) per annum on the underpaid or overpaid amount from the date of incorrect payment(s) through the applicable period of payment to the member by the trust in the case of an underpayment, or to the trust by the County or member in the case of an overpayment, also known as the “Pension Interest Rate” or “PIR.” The above notwithstanding, to the extent that a different interest rate is mandated by the Internal Revenue Service pursuant to the terms of a VCP submission under Ordinance section 8.23, such rate shall be the applicable interest rate or “PIR” (if referring to the interest portion of the TAO, also known as “Pension Interest” or “PI”).
 - (b) If the member or beneficiary selects Option 1 under subsection 8.24(3)(c)(i), once an overpayment is repaid to the trust by the County under subsection 3.1(1)(c), and the member or beneficiary is placed into either a VRP or VOP under subsection 8.24(3)(h)(ii), RPS shall not apply a simple interest rate of five percent (5%) per annum commencing one year after the VRP or VOP begins, to the remaining balance of the PAO, over the entire repayment period, also known as the “County Interest Rate” or “CIR” (if referring to the interest payable under this Subsection, also known as “County Interest” or “CI”).