



Milwaukee County
Department of Human Resources
INTER-OFFICE COMMUNICATION

Date: December 16, 2019

To: Supervisor Eddie Cullen, Chair, Personnel Committee

From: Julie A. Landry, Chief Human Resources Officer
Erika Bronikowski, Interim Director, Retirement Plan Services

Subject: Department of Human Resources File 19-880 Pension Overpayment Referral Response

During the December 4, 2019 Personnel Committee discussion of File 19-880 regarding the informational report on the status of the pension overpayments for Quarter 2 of 2019, you requested the following information:

- A copy of the overpayment letter that went out to members.
- The amount outstanding.
- An outline of the procedure on pension review.

The information below is the response to your request.

Overpayment Letter

A copy of the packet of forms sent to overpaid retirees in July is attached. Please note, some text has been turned red to indicate that it was customized for each individual.

The Amount Outstanding

The mailing to 68 overpaid retirees was calculated as of August 31, 2019. The total principal amount overpaid as of that date was \$1,596,815.22 and the total interest applied through that date was \$574,477.26 which totals \$2,171,292.48.

The amount attributable to those who are not currently receiving a benefit and who have not responded to elect either option 1 or 2 is \$128,902.68.

Pension Review Procedure

A thorough multi-step review process is completed when an individual's pension benefit payments are initiated that begins with the request to retire. The process below is for an employee retiring from active service. Individuals who do not retire from active service follow a similar process, but with no in-person appointment to complete forms.

Step 1: Employee requests to retire

When an employee contacts RPS and indicates that they would like to retire, the RPS team member verifies that they will be eligible to retire on their desired date and explains the

process. That individual schedules an in-person appointment at the RPS office to review their options and complete their pension election materials with a Retirement Analyst. This appointment is typically scheduled two weeks prior to their last day of work.

Step 2: Employee's benefit is estimated and election forms are completed

At least two weeks prior to the employees' appointment, a packet of forms is sent to them that includes an estimated benefit calculation. At this time, the employee has not yet terminated employment or received their final paycheck so their final pension service and earnings must be estimated. This calculation is performed in the pension administration system by a Retirement Analyst who reviews the employee's employment history to verify eligibility, pension service, and earnings. The benefit calculation is then reviewed by the Retirement Analyst's manager prior to mailing. Upon approval, the packet of forms is mailed to the employee and is reviewed and completed when they attend their retirement appointment.

Step 3: Employee terminates employment and final benefit is calculated

After an employee terminates employment, their final earnings and hours worked are reported to the pension administration system. At this time, RPS can begin calculating the individual's final benefit. In an effort to have a variety of team members review an individual's calculation, RPS makes every reasonable effort to ensure that the Retirement Analyst who completed the estimated benefit calculation provided at the retirement appointment does not complete the final calculation. The Retirement Analyst responsible for the final benefit calculation reviews the employee's employment history to verify eligibility, pension service, and earnings then performs the calculation in the pension administration system and independently verifies the results that the system has produced.

Step 4: Calculation review and payment

The final benefit calculation performed in the pension administration system and verified by a Retirement Analyst then goes through four rounds of review: a review by a peer Retirement Analyst, a review by the Analysts' manager, a review by a member the RPS Fiscal Office which is staffed by two Certified Public Accountants, and a final review by a member of the RPS Systems team who ultimately completes the disbursement process within the pension administration system.

Please contact me with any questions.

Thank you.



Julie A. Landry, Chief Human Resources Officer
Department of Human Resources



Erika Bronikowski, Interim Director, Retirement Plan Services
Department of Human Resources

CC: County Executive Chris Abele
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