

**COUNTY OF MILWAUKEE**  
**Interoffice Memorandum**

DATE: December 14, 2020

TO: Milwaukee County Board Supervisors

FROM: Supervisor Willie Johnson, Jr., Chairman, Pension Study Commission

SUBJECT: **A Resolution/Ordinance from the Chief Human Resources Officer and the Director of Retirement Plan Services, Department of Human Resources, clarifying the Milwaukee County Code of General Ordinances regarding pension service credit for employees furloughed during the COVID-19 pandemic and requesting authorization to amend Chapters 201.24(2.7), 201.24(2.9), and 201.24(8.7) of the Milwaukee County Code of General Ordinances to reflect these changes. (File No. 20-909)**

The Pension Study Commission (PSC) is charged with issuing a written report on the actuarial effect, cost implications and desirability of proposed changes to the pension system. At its meeting on December 14, 2020, the PSC reviewed File No. 20-909, which outlines proposed amendments to Sections 201.24(2.7), 201.24(2.9), and 201.24(8.7) of the Milwaukee County Code of General Ordinances. These amendments are necessary to allow members of the Employees' Retirement System (ERS) of Milwaukee County to earn full pension service credit for time they are furloughed as a result of COVID-19.

The PSC reviewed File No. 20-909, which includes a summary memo, resolution/ordinance, fiscal analysis from the Office of the Comptroller, actuary report from Segal, and a response from the Pension Board. The Pension Board reviewed the File and provided the following commentary:

“The Pension Board supports the County’s efforts, through the proposed Ordinance amendments, to provide ERS service credit for the time that affected employees are furloughed due to the extraordinary circumstances presented by the COVID-19 pandemic.”

The memo from Retirement Plan Services Director outlined the need for each of amendments that will allow service to be credited to employees who are on unpaid leaves for more than 30 days when those unpaid leaves are due to: COVID-19, worker’s compensation, or military service. A review of the fiscal analysis and actuary’s report indicate that the proposed changes will result in ERS not realizing an actuarial gain of between \$50,000 and \$150,000 as of January 1, 2021 due to members earning less service than expected. If the actuarial gain were to be realized according to the actuarial note, the reduction in the employer contribution would be in the range of approximately \$3,700 to \$11,100 per year. Based on the information presented and contained in File No. 20-909, the Pension Study Commission voted (Vote 5-0) on the motion to recommend approval of the resolution/ordinance and recommend the Milwaukee County Board of Supervisors adopt the ordinance amendments.

Respectfully submitted,

*Willie Johnson, Jr.*

---

Willie Johnson, Jr., Chairman  
Pension Study Commission

cc: County Executive David Crowley  
Margaret Daun, Corporation Counsel  
Erika Bronikowski, Director, Retirement Plan Services  
Judd Taback, Assistant Corporation Counsel  
Steve Cady, Research and Policy Director, Office of the Comptroller  
Shanin Brown, Committee Coordinator, County Clerk