



Milwaukee County

Legislation Details (With Text)

File #: 19-880 **Version:** 1 **Name:** Overpayment Update_20191111
Type: Informational Report **Status:** Received and Placed on File
File created: 11/12/2019 **In control:** County Clerk
On agenda: **Final action:** 12/19/2019
Title: From the Interim Director, Retirement Plan Services, Department of Human Resources, providing an informational report regarding the status of the pension overpayments for Quarter 2 of 2019. (Considered by the Committees on Personnel, and Finance and Audit) (INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)

Sponsors:

Indexes:

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Attachments: 1. 19-880 Overpayment Update_20191111.pdf, 2. 19-880 COUNTY BOARD RESOLUTION, 3. 19-880 REFERRAL RESPONSE (12/17/19), 4. 19-880 OVERPAYMENT PACKET SAMPLE (12/17/19)

Date	Ver.	Action By	Action	Result
12/19/2019	1	Milwaukee County Board of Supervisors	RECEIVED AND PLACED ON FILE	Pass
12/12/2019	1	Finance and Audit Committee	DISCUSSED WITH NO ACTION TAKEN	
12/4/2019	1	Board Chairman	REFERRED	
12/4/2019	1	Personnel Committee	RECOMMENDED TO BE RECEIVED AND PLACED ON FILE	Pass
11/22/2019	1	Board Chairman	REFERRED	

From the Interim Director, Retirement Plan Services, Department of Human Resources, providing an informational report regarding the status of the pension overpayments for Quarter 2 of 2019. **(Considered by the Committees on Personnel, and Finance and Audit) (INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

At its March 2019 meeting, the Milwaukee County Board of Supervisors voted to approve a resolution that provided procedures to resolve payment errors. This resolution included the creation of Chapter 201.24 (8.24). Retirement Plan Services has implemented these changes and is providing an informational report on the status of the overpayments for Quarter 2 of 2019. For reference, this resolution is associated with File number [18-802 <https://milwaukeecounty.legistar.com/LegislationDetail.aspx?ID=3708527&GUID=EDADC822-BF6C-474B-BA3C-FCC634916E29&Options=&Search=>](https://milwaukeecounty.legistar.com/LegislationDetail.aspx?ID=3708527&GUID=EDADC822-BF6C-474B-BA3C-FCC634916E29&Options=&Search=>).

In accordance with Chapter 201.24 (8.24) of the Milwaukee County General Ordinance, Retirement Plan Services provided "Notices of Overpayment" to 68 payees as of July 31, 2019. These payees have two repayment options and three repayment methods as described below.

Two Repayment Options

Each payee with an overpayment may elect one of two repayment options. These payment options are distinguished by the responsibility of payment of interest that has been applied to the overpayment.

Repayment Option 1: Pursuant to Milwaukee County Ordinance Chapter 201.24 (8.24), the payee agrees "...to waive any and all claims and rights to challenge the benefit correction and recoupment..." and is responsible for repaying the Principal Amount Owed. Milwaukee County is responsible for the interest applied to the overpayment.

Repayment Option 2: The payee is responsible for repaying the Total Amount Owed which includes both

the principal overpayment and the interest applied to the overpayment.

Two Repayment Methods

Repayment Method 1 Voluntary Lump Sum (VLS): Payee may elect Option 1 or 2 and repay their amount owed as a lump sum.

Repayment Method 2 Voluntary Repayment/Offset Plan: Payee may elect Option 1 or 2 and repay their amount owed as a monthly installment (either as a payment submitted to the ERS trust or as an offset to an ongoing benefit).

Voluntary Offset Plan (VOP): This method is available to individuals who continue to be paid a monthly benefit. Their corrected monthly payment is reduced by a certain amount (between 10% and 25%) until the overpayment is repaid.

Voluntary Repayment Plan (VRP): This method is available to individuals who do not receive a monthly benefit. They may make monthly payments until the overpayment is repaid.

Hardship Offset Plan: A payee may apply to repay at a rate of only 5% of their monthly benefit amount if they meet certain criteria outlined in Milwaukee County Ordinance Chapter 201.24 (8.24).

Repayment Method 3 Involuntary Repayment/Offset Plan (IOP): Payee does not make an election and is placed into option 2. Their corrected monthly payment is reduced by a 25% until the overpayment is repaid.

Table 1: Notices of Overpayment sent via certified mail on July 31, 2019

The disposition of those 68 identified overpayments is reflected in the table below:

July 31, 2019 Overpayment Letters Mailed					
	Method 1 (VLS)	Method 2 (VOP/VRP)	Method 2 (Hardship Offset Plan)	Method 3 (IOP)	Total
Option 1	17	17	2	0	36
Option 2	1	12	0	7	20
No Response After Receiving Notice	-	-	-	-	7
De minimis with no appeal	-	-	-	-	3
Converted to Unpaid	-	-	-	-	1
No Response despite Request	-	-	-	-	1
				Total Letters Mailed	68

There are five members that have opted to appeal and one of those members has not responded to the Notice of Overpayment.

