Milwaukee County Employees' Retirement System (ERS)
Audit Committee Meeting
MINUTES

Call to Order
The Audit Committee was called to order at 1:30 p.m. on September 5, 2012, by Mickey Maier in Commission Room 210, Milwaukee County Courthouse, 901 N. 9th Street, Milwaukee, Wisconsin.

Board Members Present:
Mickey Maier
David Sikorski

Others Present:
Marian Ninneman
Steven Huff
Dale Yerkes
Dan Gopalan
Marilyn Mayr
Laurie Braun

1. **Topic: Pension Board Employee Election -- Discussion**
   ERS questioned whether members of the Deputy Sheriff Association could vote in the upcoming employee election to fill two vacant employee member seats. Language in Ordinance section 201.24(8.2) confirms that DSA members cannot vote in the employee Pension Board election.

2. **Topic: OBRA IRS Audit Wrap Up -- Discussion**
   The final phase in the IRS Audit is to escheat funds to the State for members ERS was unable to find. Mr. Huff confirmed that for members who have not yet cashed their checks and the benefit should have originally been paid more than five years ago, the payment will immediately escheat to the State. If the benefit should have been originally paid out within the past five years, the benefit will then remain in OBRA until claimed by the member or until five years have passed from the date the benefit was first payable, when the payment will escheat to the State.

3. **Topic: 2013 Pension Board Budget -- Discussion**
   Dale Yerkes and Dan Gopalan presented the preliminary draft of the 2013 Pension Board budget for discussion. The budget will be discussed further at the September Board meeting.

4. **Topic: Pension Board Rule 805 -- Discussion**
   Pension Board Rule 805 stating that resignation is not "fault or delinquency" on member's part was discussed. If the Pension Board were to consider a change in Board Rule 805, a change would first need to be made to section 5(6)(a)2 of the retirement act.

5. **Topic: Pension Board Rule 1013 – Discussion**
   Earlier this year Pension Board Rule 1013 was amended to include section (5) Changes to Form of Payment stating when members can no longer make changes to the form of benefit elected. Discussion was had on whether this rule need codification to include when beneficiaries can no longer be changed when members elect a joint and survivor option. Mr. Huff will draft this clarification.

6. **Topic: Pension Board Rule 202– Discussion**
   The committee discussion of Rule 202 – Optional membership -- included which groups of non-ERS eligible employees could opt into ERS. This item will be discussed further at a later date.

7. **Topic: Proposed Pension Board Rule -- Beneficiary Designations – Discussion**
   The committee discussed the need to have a new Board Rule regarding beneficiary designations. A member may designate a beneficiary for the same benefit on multiple occasions, and the member may change their beneficiary at any time. Such changes could create conflicting beneficiary designations. Mr. Huff presented a proposed Resolution to create and adopt Rule 1050 which states that the valid designation of a beneficiary revokes any prior designations.

8. **Topic: Overpayment Recoupment – Discussion**
   The current process ERS uses to request recoupment of overpayments was discussed. ERS has asked for guidelines on how much authority staff has on requesting repayments from members. Proposed Pension Board Rule will be discussed at the September Pension Board meeting.

9. Meeting was adjourned at 2:45 p.m.

Marian Ninneman
ERS Manager