

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

Call to Order

Chairperson Vera Westphal called the Audit Committee meeting to order at 1:40 p.m. on Thursday, April 7, 2016 in the Commission Room (210) of the Milwaukee County Courthouse, 901 N. 9th Street, Milwaukee, WI 53233.

Board Members Present:

Laurie Braun
Aimee Funck
D. A. Leonard
Vera Westphal

Others Present:

Erika Bronikowski
James Carroll
Jessica Culotti
Mark Grady
Marian Ninneman
Vivian Aikin

1. Topic: Disability Retirement Process

At the March 3, 2016 meeting, the Audit Committee members asked legal counsel to review all Ordinances and Rules regarding disability retirement in order to recommend possible changes and to incorporate best practices. Mr. Carroll presented an analysis of several issues for the Committee to consider. After considerable discussion, the Committee directed Mr. Carroll to prepare any additional information necessary for review at the June Audit Committee meeting with the goal of presentation to the full Pension Board at the June 15th meeting.

2. Topic: Optional Member Contributions

Last month Ms. Ninneman requested guidance on the correct way to deal with contributions made by seasonal employees in the past that allowed them to contribute 6% of their earnings to gain ERS membership. Some of these employees never became vested yet still had membership accounts made up of their optional contributions and interest. An analysis prepared by Reinhart's Mr. Huff cited ERS Rule 1054 for guidance. Specifically, a non-vested member's optional contributions will remain in their Membership Account until a refund is requested; a vested member's optional contributions will remain in their Membership Account either until a pension benefit commences or a refund is requested. The question of a refund of contributions to a non-vested member with two separate periods of employment will be discussed at a future Committee meeting.

3. Topic: Options for Overpayment Collection

Ms. Ninneman requested direction from the Committee on collection of pension benefit overpayments when they are discovered. The consensus of the Committee is to offset an on-going benefit whenever possible. The possibility of legal action in cases where no further benefits are payable will be revisited at a future meeting.

4. Topic: Normal Retirement Age 64 Early Retirement Calculation

This topic was discussed very briefly and will be on the May Audit Committee agenda.

5. Topic: Administrative Errors

Ms. Ninneman stated that there were no errors to report this month.

The Audit Committee meeting adjourned at 3:50 p.m.