



# Pension Board of Milwaukee County Employees' Retirement System

## Annual Meeting

ERS Actuary's Remarks

April 27, 2016

# Role of the Actuary

Milwaukee County Employees' Retirement System is actuarially prefunded. What that means is that the County makes contributions to the ERS on behalf of employees while they are working which, when combined with investment earnings and member contributions, are estimated to be sufficient to pay for their benefits in retirement. The actuary determines these contributions amounts annually through a process called the actuarial valuation.

# Actuarial Valuation Process

## INPUT

- Membership Data
- Benefit Provisions
- Asset Data
- Actuarial Assumptions
- Funding Policy

## ACTUARIAL PROJECTION MODEL

## OUTPUT

- Funding target
- How well funded
- County contribution
- Member contribution

# The ERS Board Uses Prudent Actuarial Policies

- Actuarial Valuations completed within five months of the snapshot date
- County makes the contribution recommended by the actuary as adopted by the ERS Pension Board
- Underlying assumptions reviewed every five years

# Is County Up To Date on its Contributions?

- Contribution requirement determined by the actuary and presented to the Retirement Board
- Recommendation is sent to the County Executive
- As of January 1, 2015, cumulative contributions over past 15 years exceeded Retirement Board recommendations by \$400,000,000
- Pension Obligation Bond Proceeds amount to \$397,000,000
- Short answer – yes – the County is up to date and more

# Key Takeaways

- Sufficient assets are currently in the ERS trust to pay all projected benefits for current retirees
- The County has contributed almost \$400 million more than the amounts recommended by the actuary; this is roughly the amount of POB proceeds contributed in 2009.
- Benefit and contribution reforms implemented have helped the sustainability of the ERS
- ERS is funded better than the national average
- ERS is in good actuarial health because of prudent actuarial policies used by the ERS Board and the County's commitment to funding

# Questions?

# Thank you.



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