

**Milwaukee County Employees' Retirement System (ERS)  
Pension Budget, Audit and Compliance Committee Meeting  
MINUTES**

**Call to Order**

The Audit Committee was called to order **Wednesday, May 1, 2013 at 1:30 p.m. by Vera Westphal in the Commission Room (210)** at the Milwaukee County Courthouse at 901 North 9<sup>th</sup> Street, Milwaukee, WI 53233.

**Board Members Present:**

Laurie Braun  
Vera Westphal

**Others Present:**

Marian Ninneman  
Daniel Gopalan  
Mark Grady  
Steve Huff

1. Topic: Survivor Benefits – Discussion

The Pension office is in the process of auditing survivor benefits. Five cases have been identified with incorrect payouts. The Committee has requested ERS staff to correct the errors and begin collection on benefits that have been overpaid. Letters will be sent to affected survivors as notification that a monthly offset will begin in June pursuant to Rule 1050.

2. Topic: Deferred Vested Retirements – Discussion

Suggested updates to letters and deferred vested forms were reviewed by the Committee members. The Pension office will begin using updated letters to inform members at termination that they may be eligible for a deferred vested pension upon reaching normal retirement age. Approximately 90 days prior to attainment of normal retirement age, a reminder letter will be sent alerting the member to apply for these benefits. Forms were revised with updated vesting information and clarification of when a pension benefit would begin in accordance with Ordinance section 201.24 (4.5) / Rule 1049.

3. Topic: 1099-R – Discussion

The Pension office made necessary coding changes on 1099-R forms in 2012 for members receiving a pension prior to attaining age 59-1/2 or those receiving a survivor pension. ERS staff will send amended 1099-R forms for 2010 and 2011 for members affected by the coding change. ERS does not expect any additional tax liability to members due to this coding change.

4. Topic: Pension Board Rule 1014 – Mortality Tables – Discussion

A suggested amendment to Rule 1014 was presented by the pension office and legal counsel and discussed by the Committee. The current Rule included the use of the RP-2000 Disability Factor Table. It was determined after additional discussions with the actuary, ERS staff and legal counsel that using disability factors would not substantially

impact a pension benefit. The Rule, as amended, would eliminate the need to update and load disability factors into the Retirement Information System. The actuary agrees with the proposed amendment.

Meeting adjourned at 2:45 p.m.

A handwritten signature in blue ink, appearing to read "Marian", with a long, sweeping horizontal flourish extending to the right.

Marian Ninneman  
ERS Manager