Milwaukee County Board of Supervisors

Chairman Theodore Lipscomb, Sr., 1st District

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Contact: Brian Rothgery, Public Information Manager 414-278-4230 or brian.rothgery@milwaukeecountywi.gov

Supervisors to Consider Measure to Prevent Hidden Pension Reports Ordinance Change Would Require Public Disclosure of Pension Errors

MILWAUKEE – County supervisors will consider a measure today that would require, within five business days, the public disclosure of any Voluntary Correction Plan (VCP) filings submitted to the IRS on behalf of the county's pension plan.

"The public has a right to know what County Executive's Abele's administration is reporting to the IRS about pension errors in a timely fashion, and not years later," said County Board Chairman Theodore Lipscomb, Sr.

An April 2014 VCP report to the IRS that detailed more than 800 pension payment errors was not shared with the public until Chairman Lipscomb <u>began asking</u> the Abele Administration about the report in January of 2017, after it was vaguely referenced at the bottom of a <u>memo</u> about a separate IRS filing.

In December 2016, Lipscomb asked County Executive Abele if there were any more costs associated with the county's participation in the VCP program, in addition to what was known to have been filed at that time. The county executive did not respond to that inquiry.

Milwaukee County's participation in the Voluntary Correction Plan procedure with the IRS allows the county to self-report errors and avoid an IRS audit, ensuring favorable tax status.

The <u>resolution</u> and ordinance change before the Milwaukee County Board of Supervisors on today, authored by Chairman Lipscomb, requires the director of human resources, an appointee of the county executive, to report VCP filings to the county executive within five days and also notify the county board, among other measures.

The county board will also consider a resolution by Supervisor Wasserman to establish a workgroup to explore transitioning the administration of Milwaukee County's pension plan to the Wisconsin Retirement System.

Supervisors previously enacted <u>additional transparency measures</u> on February 2, when the board adopted a <u>resolution</u> encouraging the Pension Board to hold their meetings at the Milwaukee County Courthouse, instead of the Marcus Center, so that meetings could be livestreamed and archived for immediate public access.

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