



Administrative Manual of Operating Procedures

Procedure #: 02.06.03	Procedure Title: Active Retirement Process		Revision #: 1.0
Original Issue Date: 3/10/2022	Revised Issue Date: N/A	Next Review Date: 3/10/2024	Responsible Department: Human Resources (Retirement Plan Services)
Statutory References: Wis. Stat. §§ 40.30		Ordinance References: MCO 201.24 (2.10), 201.24 (4.1), 201.24 (4.2), 201.24 (5.16), 201.24 (8.24) APPENDIX B - RULES OF THE EMPLOYEES' RETIREMENT SYSTEM 301, 302, 1013	
Appendices: Appendix B – 02.06.03 LMS Training PowerPoint Appendix C – 02.06.03 Flowchart Appendix D – 02.06.03 Active ERC Retirement 2022 Timeline		Forms: N/A	

1. OBJECTIVE:

The purpose of this procedure is to provide documentation regarding the Active Retirement process. This will equip members of the Employees’ Retirement System (ERS) of Milwaukee County with the knowledge of what to expect when planning for retirement and preparing to commence their pension benefit from the Employees’ Retirement System. This procedure is limited to Active Retirements, which is required to receive certain benefits, including retiree life insurance, BackDROP, and Rule of 75. Disability retirement, emergency retirement, and deferred retirement are not included in this Procedure. Members should contact Retirement Plan Services at (414-278-4207) or ERS@milwaukeecountywi.gov or refer to the [RPS page of the County website](#) for more information about other types of retirement. If there is a conflict between this AMOP and the Milwaukee County Ordinances and Pension Rules, the Milwaukee County Ordinances and Pension Rules, as applicable, shall control.

2. DEFINITIONS:

- A. Active Retirement. Members who work until retirement eligibility and retire directly from active service. The member submits a complete retirement application to RPS prior to terminating employment and their retirement effective date is less than one full month after their termination from Milwaukee County.
- B. BackDROP. A benefit that is designed for a member who works past their pension eligibility date. When the member retires, they receive each payment they would have received if they had retired on their BackDROP date, including any Post-Retirement Increases (“PRIs”) they would have received plus interest.
- C. Beneficiary. The person designated by the ERS member to receive their pension amount, if any, payable upon the ERS member’s death. Members can designate both spousal and non-spousal beneficiaries.
- D. Employees’ Retirement System (“ERS”). The defined benefit retirement system responsible for providing pension benefits to Milwaukee County Employees. Milwaukee County offers another retirement benefit for seasonal employees, the OBRA retirement system. Please contact RPS if you are inquiring about an OBRA benefit.
- E. Final Average Salary (“FAS”). This is used in the formula to determine the amount of someone’s pension benefit. The average annual earnable compensation for the three (3) consecutive years, or 78 consecutive pay periods, of service during which the member's earnable compensation was

the highest. Depending on a member's enrollment date or union, FAS could be based on five (5) consecutive years, or 130 consecutive pay periods.

- F. Member. A current or former Milwaukee County employee who is in a position eligible to participate in the ERS. The ERS generally covers all full-time, permanent employees. Membership is automatic on day one of employment for all eligible employees.
- G. Multiplier. This is used in the formula to determine the amount of someone's pension benefit. It is a percentage of FAS that is replaced in retirement. Currently, Milwaukee County's multiplier for most member's is 1.6%. Multipliers may be 1.5%, 1.6%, 2.0%, or 2.5% and are specified in collective bargaining agreements and Milwaukee County Ordinance.
- H. Pension. A series of periodic payments which are payable to a member who is entitled to receive benefits under the Milwaukee County Ordinance.
- I. Pension Board. The body entrusted with the general administration and responsibility for the proper operation of the Employee Retirement System. The Pension Board works with subject matter experts to administer and interpret the Plan, decides questions of member eligibility, determines the amount, manner, and time of payment of benefits and reasonable administrative expenses, and establishes rules and regulations for the administration of the funds and for the transaction of its business, subject to the limitations of County Ordinances.
- J. Post Retirement Increase. A retired member's monthly benefit will be increased annually, on their retirement anniversary date, by 2% of their base monthly pension amount. This annual increase is always based on the base monthly pension amount and does not change. For retirees who have elected a BackDROP benefit, the month the 2% increase is applied is not based on retirement date, but rather the BackDROP date.
- K. Normal Retirement Date. The first day of the month following the date on which the member reaches the minimum age for normal retirement. The retirement age differs based on union coverage and date of enrollment in the ERS.
- L. Retirement Plan Services ("RPS"). The Department responsible for the general administration and operation of the Employees Retirement System of Milwaukee County.
- M. Service Credit. A member's period of employment with Milwaukee County used for purposes of computing their benefit. A member shall be credited with a maximum of one (1) year of service for each plan year during which they are a full-time employee with the county. Service is prorated for partial years worked. A member shall also be granted military service credit pursuant to Ordinance section 201.24(2.10).
- N. Termination Date. A member's separation from employment; their official last workday. This day may include regular hours worked or some other type of hours as determined by the employee, their Department, and Human Resources.
- O. Vesting. When a member is vested, they become entitled to receive the pension benefits they earned under the ERS. Vesting determines eligibility for a benefit but does not determine benefit amount.

3. PROCEDURE:

In this process, a retirement application must be submitted prior to terminating employment. Certain benefits are contingent on completing an "active retirement", including retiree life insurance, BackDROP, and Rule of 75.

A. Decision to Retire and Contact RPS

- i. Approximately 60 to 90 days prior to their desired last day of work, an active member should contact RPS at 414-278-4207 to indicate that they would like to start the retirement process. This timing will ensure that the member will have enough time to review their retirement packet and allow their payment to be processed timely.
 - a. Due to the number of items that need to be confirmed, members should call RPS to initiate this process. The RPS office hours are Monday to Friday from 8:00 am to 4:30 pm. If RPS is unavailable at that time due to assisting other members or if a member calls outside of office hours, members can leave a voicemail including their name, clock ID, a call back number, and a brief message. Voicemails are returned within two business days.
 - i. If a member requests to start the retirement process via email, RPS will call the member back to collect the necessary details to complete their pension calculation.
 - ii. RPS will confirm the member's eligibility to retire and confirm the member's anticipated last day of work, beneficiary information including date of birth, and verify the member's current mailing address.
 - iii. If the member is not yet eligible to retire from active service, RPS will provide an estimated retirement eligibility date using current employment information and offers an estimate of their benefit in place of initiating the retirement process.
 - a. Members are also able to use the Member Self-Service Retirement Calculator to project their future retirement benefits.
 - i. For more information, please refer to the following AMOP:
[Online Pension Estimate Calculator AMOP](#)
 - iv. If the member is eligible to retire from active service, a retirement appointment is scheduled about a month away to allow for the calculation to be completed and to give the member time to review their retirement packet and collect the appropriate documentation. The member is informed that the retirement packet will be mailed at least two weeks prior to their appointment date. The appointment may not be scheduled more than six months into the future.
 - a. If a member requests an appointment date of less than three weeks away, that is considered an emergency retirement and different procedures will need to be followed. In order to meet their desired retirement date, they need to contact RPS.
 - v. Milwaukee County offers interpretation services to ease language barriers for members whose primary language is not English. To request this service, members can reach out to RPS at (414) 278-4207.

B. Pension Calculation and Retirement Packet Mailed

- i. RPS calculates the member's estimated pension benefit using projected service credits through their desired termination date and current earnings on file. A true-up calculation will be completed prior to the payment processing to incorporate the member's final payroll data after their termination date.
- ii. Prior to being mailed, the member's calculation is peer reviewed by RPS for its accuracy and their retirement packet for its completeness. The retirement packet will be mailed at least two weeks prior to the member's appointment date.
- iii. Once the packet has mailed, RPS completes an outreach call, notifying the member that the packet is on its way and confirms the date and time of the retirement appointment. RPS asks the member to review the packet contents and notify RPS of any changes such as

beneficiary changes or changes to their anticipated retirement date.

- a. Members can notify RPS of any changes either by calling RPS at 414-278-4207 or by calling or emailing the assigned Retirement Analyst that is assisting the member through the Active Retirement process.
- iv. Prior to their retirement appointment, the member will also receive an email from the Benefits department which will include a retiree benefits packet attached.

C. Review Retirement Packet and Prepare for Appointment

- i. The member should review the pension benefit estimate and retirement packet prior to their scheduled appointment. Members should also review the pension benefit options available to them. RPS recommends that they also discuss these options with loved ones and/or a financial advisor.
 - a. If there are any changes that may affect the pension benefit such as beneficiary changes or change to their last day worked, members should notify RPS as soon as possible. These types of changes could require a new calculation to be completed, which could delay the retirement process.
 - i. Members can notify RPS of any changes either by calling RPS at 414-278-4207 or by calling or emailing the assigned Retirement Analyst that is assisting the member through the Active Retirement process.
 - ii. If the member is eligible for and is choosing a BackDROP benefit, they should decide their backdrop date and payment option. Members can opt to receive their BackDROP lump sum as a cash payment, an IRA direct rollover, or a combination of the two.
 - iii. Members will need to bring their social security card issued by the Social Security Administration, proof of age, and a valid photo ID for themselves and their beneficiaries to their retirement appointment.
 - iv. The member should review the Federal and State tax withholding included with their retirement packet.
 - v. All retirees are required to receive their monthly pension payments as a Direct Deposit. This completed form will need to be brought to the retirement appointment.
 - a. Members who wish to have their monthly payment deposited into a checking account should attach a voided check to the Direct Deposit form.
 - b. Members who wish to have their monthly payment deposited into a savings account should confirm the correct routing number with their financial representative.
 - c. Members can also request to have their payments issued to a pre-paid debit card.
 - vi. If there are any non-pension benefit questions, members should contact the following departments:
 - a. Retiree Benefits at (414) 278-4198
 - b. Deferred Compensation at (414) 223-1921
 - c. Payroll at (414) 278-4178

D. Retirement Appointment

- i. On the day of the appointment, the member should arrive at the Milwaukee County Department of Human Resources suite 210 located on the 2nd floor of the Courthouse, a few minutes before their scheduled appointment time. The member should bring their retirement packet, retiree benefits packet, as well as Proof of Age and Proof of Identity documents for themselves and their beneficiary.
 - a. Members should contact RPS at (414) 278-4207 to announce their arrival. The

Retirement Analyst conducting the appointment will greet the member at the entrance of the Human Resources Department and bring them to a conference room.

- ii. During the retirement appointment the Retirement Analyst will assist the member in completing the retirement application, explain how the member's benefit was calculated, and answer any questions that the member may have regarding their pension. RPS can explain to members how their benefit is calculated and how the optional forms of payment work but cannot provide advice on how to receive their pension.
 - a. Member's seeking financial advice should consult a financial advisor.
- iii. Once all forms are completed, the Retirement Analyst will make copies of the completed retirement forms for the member to keep as documentation.
 - a. If additional documentation, not provided during the appointment, is required to complete the retirement application, the member must submit them to RPS at the following address as soon as possible to not delay their initial payment:
**Milwaukee County RPS
Courthouse Room 210-C
901 North 9th Street
Milwaukee, WI 53233**
- iv. The date the member will receive their first pension check will be provided at their individual retirement meeting. Generally speaking, members can expect a pension check the last business day of the month approximately 6-8 weeks after their termination date.
 - a. Ongoing pension payments after the initial payment will always be the last business day of the month.

E. Post-Appointment

- i. After the retirement appointment, RPS will file the member's paperwork and enter their election information in a final processing log so that the member's benefit can be finalized once final payroll information is available.
- ii. At this time, RPS also notifies the member's department head regarding the upcoming retirement and forwards the member's completed retiree benefits paperwork to the Benefits department. An individual's department is not notified until they sign a retirement application.
- iii. Roughly two weeks after a member's termination date, they will receive their final payroll check. RPS will receive the final payroll data shortly after the member receives their final check.
 - a. Payroll data is reported to RPS weekly.
- iv. After a member's final payroll data is available, RPS finalizes the pension benefit calculation as of their retirement effective date incorporating final earnings and service.
 - a. The retirement effective date is the first day of the month immediately following a member's termination date for members who retire from active service.
- v. A letter is mailed informing the member of their updated pension benefit amount which includes their final pension amount. This letter, including updated numbers, is typically provided to members roughly one week prior to payments being issued.
- vi. Typically, the member's initial pension check is issued on the last business day of the month 6-8 weeks after their termination date.
 - a. If a member's initial pension payment begins a month following their retirement effective date, the member will receive retroactive payments to their retirement date.
 - b. Ongoing pension payments after the initial payment will always be the last business day of the month.

- c. In the event that a benefit paid to a member or beneficiary is determined to be incorrect, RPS shall take appropriate action to correct any payment errors in accordance with Ordinance section 201.24(8.24).

F. **Questions**

- i. If the aforementioned retirement timeline cannot be followed or if members have any questions regarding the active retirement process they should contact Retirement Plan Services at (414-278-4207) or ERS@milwaukeecountywi.gov or refer to the [RPS page of the County website](#) for more information.

4. REVISION HISTORY:

Rev. #	Summary of Changes	Date of Change	Author
1.0	New Procedure.	3/10/2022	Jacob Augustine