



# Administrative Manual of Operating Procedures

Procedure #: <b>02.06.09</b>	Procedure Title: <b>New Employee Orientation – ERS Pension Enrollment</b>		Revision #: <b>1.0</b>
Original Issue Date: <b>2/15/2024</b>	Revised Issue Date: <b>N/A</b>	Next Review Date: <b>2/15/2026</b>	Responsible Department: <b>Human Resources (Retirement Plan Services)</b>
Statutory References: <b>Wis. Stat. §§ 40.30, 59.875</b>		Ordinance References: <b>MCO 201.24 (3.11), 201.24 (4.1), 201.24 (4.5), 201.24 (5.1), 201.24 (5.2), 201.24 (11.4), 201.24 (11.41), APPENDIX B - RULES OF THE EMPLOYEES' RETIREMENT SYSTEM 203, 204</b>	
Appendices: <a href="#">Appendix B – 02.06.09 LMS Training PowerPoint</a> <a href="#">Appendix C – 02.06.09 Flowchart</a>		Forms: <a href="#">Pension Enrollment Form</a> <a href="#">Beneficiary Designation Addendum</a> <a href="#">Reciprocity Form</a>	

## 1. OBJECTIVE:

The purpose of this procedure is to provide documentation regarding the new employee orientation process as it relates to pension enrollment. This will equip members of the Employees' Retirement System (ERS)<sup>1</sup> of Milwaukee County with the knowledge to complete their pension enrollment and beneficiary forms when going through the new employee orientation process. This AMOP is intended for Milwaukee County employees hired before January 1, 2025, and are eligible for membership in the ERS. 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. 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. Beneficiaries listed for the purpose of estimates are not binding for retirement.
- B. Employee ID. Often referred to as a clock ID, this numerical identification number is assigned to all employees.
- C. 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 and certain other employees who are not eligible for the ERS, the OBRA retirement system.
- D. Final Average Salary ("FAS"). This is used in the formula to determine the amount of someone's pension benefit. This is the average annual earnable compensation for the three (3) consecutive years, or 78 consecutive pay periods, of service during which the member's average 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, instead of three (3) years.
- E. Member. A current or former Milwaukee County employee who is or was in a position eligible to participate in the ERS. The ERS generally covers all full-time, permanent employees. Membership is automatic and mandatory on day one of employment for all eligible employees.
- F. Multiplier. This is used in the pension calculation formula to determine the amount of someone's

<sup>1</sup> Milwaukee County offers another retirement benefit for seasonal employees, the OBRA retirement system. Please contact RPS if you are inquiring about an OBRA benefit. During their new hire orientation, OBRA members will be provided Enrollment and acknowledgement forms explaining that the earnings from the OBRA position is not covered under Social Security.

pension benefit. It is a percentage of FAS that is replaced in retirement. Currently, Milwaukee County's multiplier for most members 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. Eligibility for a given multiplier is based on union representation and enrollment date.

- G. Normal Retirement. Members who work until retirement eligibility and commence their pension immediately after leaving County service. The member submits a completed retirement application to RPS, and their retirement effective date is less than one full month after their termination from Milwaukee County.
- H. 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. Please note, if an individual reaches the minimum age for normal retirement on the first of a month, their normal retirement date will be the first of the following month.
- I. Pension. A series of periodic payments which are payable to a member who is entitled to receive benefits from the pension system under the Milwaukee County Ordinance.
- J. Pension Board. The body entrusted with the general administration and responsibility for the proper operation of the ERS. 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.
- K. Retirement Plan Services ("RPS"). The Department responsible for the general administration and operation of the ERS of Milwaukee County.
- L. 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. A part-time ERS employee who works 2080 hours in a year, can earn a maximum of one (1) year of service for that year. Service is prorated for partial years worked. A member shall also be granted military service credit pursuant to Ordinance section 201.24 (2.10).
- M. 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.
- N. Vesting. When a member is vested, they become entitled to receive the pension benefits they earned under the ERS regardless of whether it is payable immediately or at some point in the future. Members become vested when they reach normal retirement age while in active service or generally when they have earned five (5) service credits (some members who terminated employment prior to 2001 may have different vesting requirements). Pension service credit earned by an employee in the City of Milwaukee or State of Wisconsin retirement systems prior to becoming a member of the ERS shall immediately be credited toward vesting in the ERS if the requirements are met. Vesting determines eligibility for a benefit but does not determine the benefit amount or timing of payment.

### 3. OVERVIEW:

- A. Earning a Benefit: Membership in ERS
  - i. Pension Board Rule 204 requires that membership into the ERS be mandatory and automatic. All full-time employees, with the exception of a few classes of employees, such as County Board and Commission Members, Interns, and Temporary or Seasonal employees, automatically become members when employed with Milwaukee County.
    - a. A full listing of employee classes not eligible for membership in the ERS can be reviewed in Pension Board Rule 203.

- ii. Members of the ERS make contributions to the pension fund. According to [Wisc. Stat. § 59.875](#), members are required to pay half of all actuarially required normal cost contributions for funding benefits under employee retirement systems. Milwaukee County, the employer, cannot pay on behalf of any member's share of the actuarially required normal cost contributions.
  - iii. Since enrollment into the pension is automatic and mandatory, ERS members cannot opt out of the contribution requirement or membership.
  - iv. For more information regarding employee contributions, including current contribution rates, please review the [Contribution Withdrawal Process AMOP](#).
- B. Earning a Benefit: Vesting
- i. When a member is vested, they become entitled to receive the pension benefit they earned under the ERS regardless of whether it is payable immediately or at some point in the future. Vesting determines eligibility for a benefit but does not necessarily determine the benefit amount.
  - ii. Members become vested in the ERS based on the number of years of service credit, age, or both. The information below has been simplified to apply to a majority of current active members, so exceptions may apply.
    - a. Many members who terminate employment after December 31, 2000, require five years of service credits to be vested.
    - b. Most members automatically become vested once they reach normal retirement age. This could be age 60 or 64 depending on a member's enrollment date and union coverage. Deputy Sheriffs automatically become vested once they reach their retirement age of 57.
    - c. Some unions require members to reach both normal retirement age and have five years of service to automatically become vested.
  - iii. Full-time employees earn a maximum of one year of service credit for each full year during which they are employed by Milwaukee County. Members could earn less than one service credit in a calendar year, if any of following employment changes occur:
    - a. Suspension without pay
    - b. Injury pay/workers compensation
    - c. Part-time employment
    - d. Active without pay
    - e. Year of hire
    - f. Year of termination
    - g. Transfers from an ineligible to an eligible position
    - h. Hired and terminated in the same year
  - iv. Generally, prior service under the City of Milwaukee and the State of Wisconsin retirement systems is credited toward ERS vesting and eligibility requirements, but under most circumstances does not count towards service used to calculate the benefit payable from the ERS. Prior service is not recognized if members are already receiving pension payments or have withdrawn funds from a prior system.
- C. Earning a Benefit: Retirement Eligibility
- i. Retirement eligibility is when a vested member can commence their pension benefit after they separate from Milwaukee County employment. Members become eligible by reaching certain age and service requirements, described in the following table:

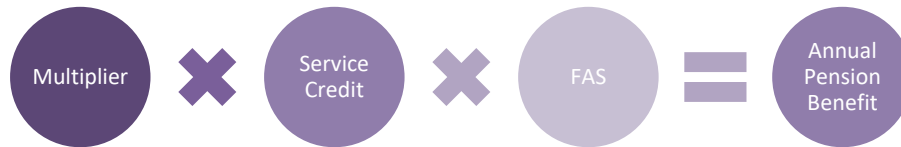
	Normal Retirement	Deferred Vested Retirement
Explanation	Member whose retirement date is the first of the month following their termination date	Member who terminates employment with the County and whose retirement date is more than one month after termination
Unreduced Benefit Provisions	Reaching Normal Retirement Age <sup>1</sup> Or Reaching at least age 55 and 30 service credits	Reaching Normal Retirement Age <sup>1</sup>
Reduced Benefit Provisions (5% Reduction per Year prior to Normal Retirement Age) <sup>2</sup>	Age 55 with 15 Service Credits	Age 55 with 15 Service Credits

<sup>1</sup> Represented Deputy Sheriffs and some Non-represented sheriffs have a retirement age of 57. Generally, other employees hired prior to 2011 may retire when they reach age 60 and other employees hired after 2011 may retire when they reach age 64, regardless of amount of service.

<sup>2</sup> If a member elects to commence their benefit earlier than their Normal Retirement Age, their benefit is permanently reduced.

**D. ERS Benefit Formula**

- i. The amount of a member’s pension benefit that they become eligible for at their Normal Retirement is determined primarily by three components: Multiplier, Service Credits, and Final Average Service. These benefit components are defined in the Definitions section of this AMOP and may depend on a member’s enrollment date or union code.



- ii. Other factors that may affect the monthly benefit payable from the ERS include, but are not limited to, the following:
  - a. Member’s age at retirement date
  - b. Beneficiary’s age at retirement date
  - c. Form of payment selected
- iii. Members can run simulations of pension estimates by utilizing the Pension Estimate calculator after creating an account on the Milwaukee County ERS Digital Self-Service platform. Please review the [Online Pension Estimate Calculator AMOP](#) for more information on how to utilize the online estimator tool.

**4. PROCEDURE:**

**A. Attend New Employee Orientation and View Virtual Pension Orientation Materials**

- i. On a member’s first day of employment, they should attend their new hire orientation scheduled with Human Resources.
- ii. During the new employee orientation, the member will be provided a brief overview of the benefit that ERS members are eligible for and instructions on how to complete the virtual orientation for their pension benefits.

- iii. Members can access the Virtual New Employee Orientation Presentations for the pension system on the [Retirement Plan Services County Connect](#) site. On that site, there are two videos that provide an overview of the pension benefit and explain how to complete the ERS Enrollment Forms.
  - iv. Members can print the Pension Enrollment Form and, if necessary, the Beneficiary Designation Addendum and Reciprocity form directly from the [RPS intranet site](#).
- B. Print and Complete the Pension Enrollment Form
- i. While enrollment into the ERS is mandatory and not dependent on completion of the Pension Enrollment form, the form allows members to acknowledge their participation in the ERS pension system, designate beneficiaries, and indicate if they have any previous pension service with Milwaukee County, the City of Milwaukee, or the State of Wisconsin retirement systems.
  - ii. To complete the first page of the two-page enrollment form, members should fill out the following:
    - a. Add their demographic information at the top of the form.
    - b. If the employee is **NOT** eligible for ERS membership, the checkbox in the middle of the form should be checked to acknowledge their ineligibility for ERS.
      1. Eligible ERS members should leave this checkbox unchecked.
    - c. If the member has service from the County of Milwaukee, City of Milwaukee, or State of Wisconsin, they should complete the box near the bottom of the form to declare prior pension service.
      1. If a member previously participated in the City of Milwaukee or State of Wisconsin retirement systems, they need to complete the additional Reciprocity form described later in this procedure.
    - d. Members should sign and date the bottom of the first page.
- C. Designation of Pension Beneficiaries
- i. On the second page of the two-page enrollment form, members can designate beneficiaries for two benefits payable in the event of their death prior to becoming vested in the pension system. Both a \$2,000 lump sum death benefit and a refund of membership contributions may be payable to a beneficiary in the event of a member's passing.
  - ii. The following information should be listed for a member's designated beneficiaries on the second page of the two-page enrollment form.
    - a. Name
    - b. Address
    - c. Birthdate
    - d. Relationship to the member
    - e. Share Percentage
  - iii. Both the \$2,000 lump sum death benefit and the refund of membership contributions can be divided among multiple beneficiaries. If the member would like to divide among multiple beneficiaries, they will need to indicate what percentage each beneficiary should receive. These shares must add up to 100%.
  - iv. If the member would like to name additional beneficiaries or contingent beneficiaries, they can complete the Beneficiary Designation Addendum form that is also printable from the [RPS intranet site](#).
    - a. A contingent beneficiary would receive a benefit if a member's primary beneficiary is deceased when the benefit is payable.
  - v. Members should sign, enter their Employee ID (Clock ID) and date the bottom of the enrollment form. If applicable, this should also be completed on the Beneficiary Designation Addendum form.
  - vi. Beneficiaries for the \$2,000 lump sum death benefit and the refund of membership contributions can be changed at any time prior to a member's retirement or death.

- a. If a member would like to make beneficiary changes for their pre-retirement death benefits, they should contact RPS for Beneficiary Change forms.

D. Declare Prior Service with City of Milwaukee and State of Wisconsin Retirement Systems

- i. If the member has prior service from the City of Milwaukee or State of Wisconsin retirement systems, an additional Reciprocity form should be completed. The Reciprocity form authorizes the Milwaukee County, the City of Milwaukee, and the State of Wisconsin retirement systems to disclose information to one another regarding a member's employment, dates of service, military service, vested status, and years of creditable service in each system.
  - a. The Reciprocity form is also printable from the [RPS intranet site](#).
- ii. If the member was covered under more than one of the aforementioned systems, reciprocity **may**:
  - a. Allow vested service earned under the previous retirement system to count toward the vesting requirement in the new system.
  - b. Increase the retirement benefit earned under the previous system.
- iii. To complete the first page of the Reciprocity form, members should fill out the following:
  - a. Complete the Membership Information section by entering their demographic information.
    1. The current retirement system that should be checked in this section is the Milwaukee County Employees' Retirement System.
  - b. In the Employment Certification section, members should indicate which prior retirement system they worked under.
    1. If a member worked for more than one of the listed retirement systems, they should complete one form for each of those retirement systems.
  - c. In the Employment History section, members should list the departments they worked in, and provide when their employment began and ended for the City of Milwaukee or State of Wisconsin. This information will be used to verify how much service they earned with the prior retirement system.
  - d. Finally, members should sign and date this form.
  - e. The information on the second page will be completed by a retirement system representative and should not be filled out by the member.
- iv. Members should contact RPS for additional information on how reciprocity may affect their benefit from the ERS.

E. Return the Enrollment Forms to RPS

- i. Members should return the completed Pension Enrollment Form and, if necessary, the Beneficiary Designation Addendum and Reciprocity forms to RPS.
  - a. Members will automatically be mailed a reminder letter to complete their enrollment forms if the forms are not received by RPS.
- ii. The forms can be mailed directly to RPS at the following address:

**Milwaukee County RPS  
Courthouse Room 210-C  
901 North 9th Street  
Milwaukee, WI 53233**
- iii. Alternatively, the forms can be submitted via email to [ERS@milwaukeecountywi.gov](mailto:ERS@milwaukeecountywi.gov).

F. Questions

All members with questions on how to complete their pension enrollment forms may contact Retirement Plan Services at 414-278-4207 or [ERS@milwaukeecountywi.gov](mailto:ERS@milwaukeecountywi.gov) or refer to the [RPS page of the County website](#) for more information.

**5. REVISION HISTORY:**

Rev. #	Summary of Changes	Date of Change	Author
1.0	New procedure.	2/15/2024	Jacob Augustine