

GRANT F. LANGLEY
City Attorney

RUDOLPH M. KONRAD
LINDA ULISS BURKE
VINCENT D. MOSCHELLA
Deputy City Attorneys



THOMAS O. GARTNER
BRUCE D. SCHRIMPF
SUSAN D. BICKERT
STUART S. MUKAMAL
THOMAS J. BEAMISH
MAURITA F. HOUREN
JOHN J. HEINEN
DAVID J. STANOSZ
SUSAN E. LAPPEN
JAN A. SMOKOWICZ
PATRICIA A. FRICKER
HEIDI WICK SPOERL
KURT A. BEHLING
GREGG C. HAGOPIAN
ELLEN H. TANGEN
MELANIE R. SWANK
JAY A. UNORA
DONALD L. SCHRIEFER
EDWARD M. EHRlich
LEONARD A. TOKUS
MIRIAM R. HORWITZ
MARYNELL REGAN
G. O'SULLIVAN-CROWLEY
KATHRYN Z. BLOCK
MEGAN T. CRUMP
ELOISA DE LEÓN
ADAM B. STEPHENS
KEVIN P. SULLIVAN
BETH CONRADSON CLEARY
THOMAS D. MILLER
HEIDI E. GALVÁN
JARELY M. RUIZ
ROBIN A. PEDERSON
DANIELLE M. BERGNER
Assistant City Attorneys

December 10, 2009

To the Honorable Committee
on Finance & Personnel of the
Common Council of the
City of Milwaukee
Room 205 – City Hall

Re: CCFN 091069 – A resolution establishing pre-tax
payroll deduction for employee paid pension contributions

Dear Committee Members:

Enclosed is a substitute resolution and appropriate fiscal note establishing pre-tax payroll deduction for employee paid pension contributions.

The Common Council has approved labor contracts with various city unions that require new employees who commence city employment on or after January 1, 2010, to pay 5.5% of their earnable compensation as a contribution to the Employees' Retirement System, in lieu of the city making the contribution on their behalf. This requirement has also been imposed on nonrepresented/nonmanagement employees and management employees commencing city employment next year via amendments to Chapter 36 of the Charter. In conjunction with this requirement, this resolution provides for the implementation of section 414(h)(2) of the Internal Revenue Code to make the member-paid contributions a pre-tax payroll deduction under that section.

An amendment to Chapter 36 has also been introduced to document this change. Passage of this resolution, however, will ensure that the pre-tax deduction can commence on January 1, 2010, because the resolution will be adopted before that date.

Very truly yours,

GRANT F. LANGLEY
City Attorney

RUDOLPH M. KONRAD
Deputy City Attorney
RMK:lmb:152697
enclosures

OFFICE OF THE CITY ATTORNEY

Milwaukee City Hall Suite 800 • 200 East Wells Street • Milwaukee, Wisconsin 53202-3551 Telephone: 414.286.2601 • TDD: 414.286.2025 • Fax: 414.286.8550