

**City of Milwaukee  
Employees' Retirement system  
Cost impact under new proposal for General Employees  
(in thousands)**

**Under Current plan and actuarial assumptions effective January 1, 2013**

	2012	2013	2014	2015	2016	2017	2018	2021	2026	2031
Assumed investment rate of return	8.50%	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%
1. Actuarial Accrued Liability	709,943	803,691	897,007	990,676	1,083,666	1,175,350	1,265,452	1,537,706	1,967,582	2,372,879
2. Normal cost										
a. Total	37,574	38,231	38,616	38,855	38,958	39,061	39,291	40,996	45,261	51,854
b. Estimated Member Contribution	19,741	20,106	20,471	20,837	21,194	21,555	21,949	23,358	26,306	30,083
c. Employer Normal Cost (a)-(b)	17,833	18,125	18,145	18,018	17,764	17,506	17,342	17,638	18,955	21,771
3. Employer Normal Cost as % of Pay	5.39%	5.38%	5.29%	5.16%	5.00%	4.85%	4.72%	4.51%	4.30%	4.32%

**New Hire after 1/1/2014 under new plan and actuarial assumptions effective January 1, 2013**

	2012	2013	2014	2015	2016	2017	2018	2021	2026	2031
Assumed investment rate of return	8.50%	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%
1. Actuarial Accrued Liability	709,943	803,691	896,518	989,200	1,080,578	1,169,947	1,256,954	1,514,495	1,896,899	2,216,918
2. Normal cost										
a. Total	37,574	38,231	37,734	37,469	37,029	36,565	36,218	36,051	36,895	39,468
b. Estimated Member Contribution	19,741	20,106	20,473	20,840	21,196	21,560	21,955	23,363	26,294	30,048
c. Employer Normal Cost (a)-(b)	17,833	18,125	17,261	16,629	15,833	15,005	14,263	12,688	10,601	9,420
3. Employer Normal Cost as % of Pay	5.39%	5.38%	5.03%	4.76%	4.46%	4.15%	3.88%	3.24%	2.41%	1.87%

**Cost impact under new Proposal**

	2012	2013	2014	2015	2016	2017	2018	2021	2026	2031
1. Actuarial Accrued Liability	0	0	(489)	(1,476)	(3,088)	(5,403)	(8,498)	(23,211)	(70,683)	(155,961)
2. Normal cost Dollar amount										
a. Total	0	0	(882)	(1,386)	(1,929)	(2,496)	(3,073)	(4,945)	(8,366)	(12,386)
b. Estimated Member Contribution	0	0	2	3	2	5	6	5	(12)	(35)
c. Employer Normal Cost (a)-(b)	0	0	(884)	(1,389)	(1,931)	(2,501)	(3,079)	(4,950)	(8,354)	(12,351)
3. Employer Normal Cost as % of Pay	0.00%	0.00%	-0.26%	-0.40%	-0.54%	-0.70%	-0.84%	-1.27%	-1.89%	-2.45%

Figures estimated based on January 1, 2012 valuation data and Actuarial assumptions effective January 1, 2013

The following Proposal changes for new hire general employees hired on or after 1/1/14

-Change normal retirement age from 60 to 65 and early retirement from 55/30 to 60/30

-Change multiplier from 2% to 1.6%

-Change COLA as follow for service retirements and spouse survivors of service retirees

Current COLA Retirement		Proposal COLA Retirement	
Anniversary Date	Annual COLA	Anniversary Date	Annual COLA
Year 1	N/A	Year 1	N/A
Year 2	1.50%	Year 2	0.00%
Year 3	1.50%	Year 3	0.00%
Year 4	1.50%	Year 4	0.00%
Year 5	2.00%	Year 5	2.00%
Year 6	2.00%	Year 6	2.00%