

..Number

110418

..Version

PROPOSED SUBSTITUTE B

..Reference

71-1754

..Sponsor

THE CHAIR

..Title

A substitute charter ordinance relating to retirement benefits for elected officials.

..Sections

36-08-7-c am

..Analysis

This charter ordinance establishes that elected official members of the employees' retirement system shall contribute 5.5% of their earnable compensation to the employees' retirement system commencing with the 2<sup>nd</sup> pay period of 2012.

..Body

Whereas, Section 36-14 of the charter provides the city with home rule authority over the employees' retirement system; and

Whereas, The common council has enacted amendments to s. 36-08-7-a-2 of the code that requires most general city employees hired on or after January 1, 2010, to pay a 5.5% member contribution; and

Whereas, The common council has enacted an amendment to s. 36-08-7-b that provides that employees' retirement system members who are initially employed as firemen or policemen on or after October 3, 2011, shall contribute 7% of their earnable compensation as their member contribution; and

Whereas, The Wisconsin legislature enacted Wisconsin Act 10 on March 11, 2011, with final publication on June 28, 2011; and

Whereas, Section 167 of Act 10 provides that in any employee retirement system of a 1st class city, except as otherwise provided in a collective bargaining agreement entered into under subch. IV of ch. 111 of the act, employees shall pay all employee required contributions for funding benefits under the retirement system; and

Whereas, Employee payment of the member contributions will support the ongoing financial sustainability of the employees' retirement system and the security of retirement allowances, annuities, disability benefits, and other benefits provided for under ch. 36 of the charter; and

Whereas, No court of law has found s. 167 of Act 10 to be unlawful, nor has any court of law enjoined the city from implementing its provisions, or provided authority to the city to ignore its provisions; and

Whereas, Therefore, the Common Council should enact, under its home rule authority to govern the retirement system, the following changes to ch. 36 of the charter pertaining to member contributions; now, therefore

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 36-08-7-c of the city charter is amended to read:

c. ~~[[Members]]~~ >>A member<< who ~~[[are]]~~ >>is an<< elected ~~[[officials]]~~ >>official<< shall contribute or have contributed on ~~[[their]]~~ >>his or her<< behalf 7% of the member's earnable compensation, and in respect to such ~~[[members]]~~ >>member<< subsequent to and commencing with the 1<sup>st</sup> pay period of 1971 the city shall contribute 7% of earnable compensation. >>Notwithstanding the forgoing, subsequent to and commencing with the 2<sup>nd</sup> pay period of 2012, an elected official who elects to become a member of the employes' retirement system, shall contribute 5.5% of his or her earnable compensation.<<

Part 2. This is a charter ordinance and shall take effect 60 days after its passage and publication, unless within such 60 days a referendum petition is filed as provided in s. 66.0101(5), Wis. Stats., in which event this ordinance shall not take effect until submitted to a referendum and approved by a majority of the electors voting thereon.

..LRB

APPROVED AS TO FORM

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Legislative Reference Bureau

Date: \_\_\_\_\_

..Attorney

IT IS OUR OPINION THAT THE ORDINANCE  
IS LEGAL AND ENFORCEABLE

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Office of the City Attorney

Date: \_\_\_\_\_

..Requestor

Office of Budget and Management

..Drafter

LRB133610-2

Mary E. Turk

9/30/2011