

LRB – FISCAL REVIEW SECTION ANALYSIS

DECEMBER 17, 2003 AGENDA

ITEM 12, FILE 031148

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File No. 031148 is a charter ordinance relating to rollover distributions under the Employees' Retirement System ERS.

Background

1. The City of Milwaukee's Deferred Compensation Plan provides a tax deferred retirement savings option for City employees in accordance with s. 457 of the Internal Revenue Code.
2. The Global Pension Settlement provides for a lump sum payment to retirees.
3. The 2001 Federal Tax Act, allows ERS retirees to "roll-over" the lump sum payment into tax deferred retirement accounts such as the City's Deferred Compensation Plan.
4. In order to be in compliance with the tax laws the ERS allows retirees to "roll-over" their lump-sum eligible retirement accounts.

Discussion

This charter ordinance updates the City Charter to make it consistent with federal tax laws.

Fiscal Impact

The charter ordinance has no fiscal impact.

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