



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

January 13, 2020

Milwaukee Common Council
Finance and Personnel Committee
City Hall
200 E. Wells Street
Room 205
Milwaukee, WI 53202

Re: File # 191455 - Resolution relating to studying the impacts of employee turnover on pension funding and liabilities.

Dear Ald. Coggs and Committee Members:

Attached for inclusion in the file is a copy of the most recent ERS experience study performed by the ERS independent actuary for the five-year period ended December 31, 2016 which measures trends and provides analysis for the Annuity & Pension Board regarding employment turnover assumptions determined periodically by the Board.

Employment turnover is one of several factors which impact the calculation of pension liabilities and funding requirements. Please see pages 17-21 for graphs measuring turnover experience during the period measured and the actuary's recommendations to the Board for the period 2018-2022. The Board's assumptions will next be revisited for the five years beginning in 2023 following the completion of the experience study scheduled for the Fall of 2022.

An experience study is required every five years pursuant to MCC-36 as is customary for most public pension funds.

Sincerely,

A handwritten signature in black ink, appearing to read "Bernard J. Allen". The signature is fluid and cursive, written over a light background.

Bernard J. Allen
Executive Director

BJA: jmw