

LRB - FISCAL SECTION ANALYSIS

JUNE 29, 2005

ITEM 12, FILE 050234

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #050234 is a communication transmitting a report entitled, Annual Actuarial Statement of the Policemen's Annuity and Benefit Fund of Milwaukee for years ended December 31, 2004.

Background and Discussion

1. The Policemen's Annuity & Benefit Fund (PA&BF) provides retirement benefits to police officers who were first employed prior to July 30, 1947.
2. As December 31, 2004, the fund had 70 annuitants and 125 widow annuitants.
3. The report projects the fund's estimated assets and liabilities for the years 2005 to 2014. The report assumes an annuity purchase for remaining annuitants on January 1, 2014.
4. The report shows that as of December 31, 2004 the PA&BF had total assets of approximately \$5.5 million and an unfunded liability of \$1.9 million.

Additional Information

To address the issue of the Fund's unfunded liability, on May 20, 2005 the Common Council adopted File#050067 a substitute ordinance relating to amortization of any unfunded, liability for the Policemen's Annuity and Benefit Fund. The ordinance changed the liability's amortization period from 5 to 10 years.

The PA&BF Board has also approved benefits improvements for all members increasing the minimum monthly payment from \$427 to \$500 per month and increasing payments for annuitants above the minimum by \$60.

Fiscal Impact

This file is a communication and has no fiscal impact.

cc: Marianne Walsh
Bonnie Stahl
W. Martin Morics
Mark Nicolini
John Ledvina

Prepared by: James Carroll, 286-8679
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