

CITY OF MILWAUKEE FISCAL NOTE

October 4, 2002

FILE NUMBER: 020891

Original Fiscal Note Substitute

TITLE: Charter Ordinance relating to designated beneficiaries under the Employees' Retirement System

B) SUBMITTED BY (Name/title/dept./ext.): Michael J. Haley, Finance Officer, Employees' Retirement System 3689

C) CHECK ONE: ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
 NOT APPLICABLE/NO FISCAL IMPACT. No fiscal impact to the City, see attached letter from ERS Actuary.

D) CHARGE TO: DEPARTMENT ACCOUNT(DA) CONTINGENT FUND (CF)
 CAPITAL PROJECTS FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)
 PERM. IMPROVEMENT FUNDS (PIF) GRANT & AID ACCOUNTS (G & AA)
 OTHER (SPECIFY) Pension Trust x No Fiscal Impact

| E) PURPOSE | SPECIFY TYPE/USE | ACCOUNT | EXPENDITURE | REVENUE | SAVINGS |
|--------------------------|---|---------|-------------|---------|---------|
| SALARIES/WAGES: | This amendment enables a member to designate a beneficiary to receive his or her benefits under the Global Settlement if he or she dies between the date of eligibility for the bonus and the date of payment. | | | | |
| SUPPLIES: | It is only concerned with how to process the proceeds and has no fiscal impact on the Fund. Currently, such an amount would be payable to the estate of the member. This change will reduce the cost of administering these payments and provide members with more flexibility in determining the beneficiary of these amounts. | N/A | | | |
| MATERIALS: | | | | | |
| NEW EQUIPMENT: | | | | | |
| EQUIPMENT REPAIR: | | | | | |
| OTHER: | | | | | |
| TOTALS | | | 0 | 0 | 0 |

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN ANNUAL BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT SEPARATELY.

| | | |
|------------------------------------|------------------------------------|-----|
| <input type="checkbox"/> 1-3 YEARS | <input type="checkbox"/> 3-5 YEARS | N/A |
| <input type="checkbox"/> 1-3 YEARS | <input type="checkbox"/> 3-5 YEARS | |
| <input type="checkbox"/> 1-3 YEARS | <input type="checkbox"/> 3-5 YEARS | |

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:
 See attached letter form ERS Actuary for assumptions and further details.

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

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October 4, 2002

Ms. Anne M. Bahr
Executive Director
Milwaukee Employees' Retirement System
City of Milwaukee
200 E. Wells St.
Milwaukee, Wisconsin 53202-3515

Re: Creation of Section 36-05-11-e (Lump Sum Bonus – Designated Beneficiary)

Dear Ms. Bahr:

As requested, we have reviewed the proposed amendment to Chapter 36 that creates §36-05-11-e of the Charter. This new section provides that a participant in the combined fund eligible to receive a lump sum bonus under §36-05-11 may name a designated beneficiary to receive the bonus payment in lieu of the participant's estate, if the participant dies prior to payment of the bonus.

It is our opinion that this change will have no fiscal impact on the Employees' Retirement System.

Please call if you have any questions or need additional information.

Sincerely,



S. Lynn Hill
Associate Principal, Retirement Consulting

SLH:pl
12736-0001/C1392RET21-Sec36-05-11e.doc

cc: Mike Haley