



Legislation Details (With Text)

**File #:** 091069      **Version:** 1  
**Type:** Resolution      **Status:** Passed  
**File created:** 12/1/2009      **In control:** FINANCE & PERSONNEL COMMITTEE  
**On agenda:**      **Final action:** 12/22/2009

**Effective date:**

**Title:** A substitute resolution establishing pre-tax payroll deduction for employee paid pension contributions.

**Sponsors:** THE CHAIR

**Indexes:** DEFERRED COMPENSATION PLAN

**Attachments:** 1. Fiscal Note, 2. Letter from City Attorney regarding establishing pretax payroll deduction, 3. Cover letter transmitting prevailing wage., 4. Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
12/1/2009	0	COMMON COUNCIL	ASSIGNED TO		
12/9/2009	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
12/10/2009	1	CITY CLERK	DRAFT SUBMITTED		
12/16/2009	1	FINANCE & PERSONNEL COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	5:0
12/22/2009	1	COMMON COUNCIL	ADOPTED	Pass	14:0
12/28/2009	1	MAYOR	SIGNED		

091069  
SUBSTITUTE 1

THE CHAIR

A substitute resolution establishing pre-tax payroll deduction for employee paid pension contributions. The Common Council has approved labor contracts with various city unions which require new employees represented by those unions and beginning city employment on or after January 1, 2010, to contribute 5.5% of their earnable compensation as a contribution to the city retirement system; this requirement has also been imposed on nonrepresented/nonmanagement employees and management employees beginning city employment on or after January 1, 2010. In conjunction with this requirement, this resolution provides for the implementation of section 414(h)(2) of the Internal Revenue Code to make city employee-paid member retirement contributions a pre-tax payroll contribution under that section.

Whereas, The Common Council has approved and will approve labor contracts that include or will include provisions requiring city employees to pay member contributions required to be paid by Chapter 36 of the Charter out of their salaries; and

Whereas, The Common Council has approved and will approve extending the provisions of those labor contracts to non-represented employees by amending Chapter 36 of the Charter; and

Whereas, The Common Council elects to make the employee-paid member contributions a pre-tax payroll deduction under Internal Revenue Code (IRC) sec. 414 (h) (2); now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the City of Milwaukee, commencing January 1, 2010, will implement the provisions of IRC sec. 414 (h) (2), by making employee contributions for Chapter 36 service credit on behalf of its employees who are bound by labor contract, or who are required under the provisions of Chapter 36, to pay the employee contribution in the form of a salary deduction; and, be it

Further Resolved, That, for the bound employees, the City of Milwaukee will implement a pre-tax payroll deduction to collect the employees' contributions and pay them directly to the Employees' Retirement System combined fund; and, be it

Further Resolved, That all bound employees are required to participate in this implementation as specified, and no employee shall be permitted to receive the employee contribution payment directly, instead of having it paid into the combined fund.

City Attorney  
152479  
LB09467-2  
BJZ:lp  
12/1/2009