



Legislation Details (With Text)

File #: 001069 **Version:** 1
Type: Charter Ordinance **Status:** Placed On File
File created: 11/8/2000 **In control:** FINANCE & PERSONNEL COMMITTEE
On agenda: **Final action:** 11/25/2003

Effective date:

Title: A substitute charter ordinance relating to repurchase of prior service credits.

Sponsors: Fredrick Gordon

Indexes: CHARTER ORDINANCES, RETIREMENT BENEFITS, WAGES AND BENEFITS

Attachments:

Date	Ver.	Action By	Action	Result	Tally
11/8/2000	0	COMMON COUNCIL	ASSIGNED TO		
11/10/2000		FINANCE & PERSONNEL COMMITTEE	REFERRED TO		
11/10/2000		FINANCE & PERSONNEL COMMITTEE	REFERRED TO		
12/11/2000	1	CITY CLERK	DRAFT SUBMITTED		
12/28/2000	1	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
1/10/2001	1	FINANCE & PERSONNEL COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
11/11/2003	1	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
11/19/2003	1	FINANCE & PERSONNEL COMMITTEE	RECOMMENDED FOR PLACING ON FILE	Pass	3:0
11/25/2003	1	COMMON COUNCIL	PLACED ON FILE	Pass	16:0

001069
SUBSTITUTE 1

ALD. GORDON

A substitute charter ordinance relating to repurchase of prior service credits.

This charter ordinance permits any member of the employees' retirement system who withdrew his or her accumulated contributions prior to June 3, 1972, to repurchase retirement service credit by repaying the amount of the withdrawal, together with interest. Interest is to be measured by the actuarial rate for the year. This charter ordinance makes special rules for members who are subject to Internal Revenue Code § 415 limits.

Whereas, Several significant changes in benefits of the Employees' Retirement System occurred between 1969 and 1972; and

Whereas, Charter ordinance 382, File Number 71-2300, effective June 3, 1972, included an

amendment to guarantee the return of accumulated contributions to members who separated from service and elected a deferred retirement allowance; and

Whereas, This change made the deferred retirement allowance more desirable by guaranteeing members who selected such option the return of member contributions; and

Whereas, Members who separated from prior to June 3, 1972, made a decision to withdraw their accumulated contributions without full knowledge of the loss of pension value accompanying their decision; and

Whereas, Current members of the Employees' Retirement System who were members prior to these and other similar events were unaware of the System's changes at that time and might have made different decisions if they had been aware of these changes; and

Whereas, Current members of the Employees' Retirement System who withdrew their accumulated contributions prior to June 3, 1972, should have an opportunity to re-establish their accounts in the Employees' Retirement System by making the appropriate payments to the Employees' Retirement System fund; now, therefore

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Should a member of the employees' retirement system who has separated from service and withdrawn his or her accumulated contributions as they were at the date of separation from service on or before June 3, 1972, return as a member of the employees' retirement system and apply to have his or her membership and the credits for service which he or she had at the time of such separation restored, such credits shall be restored upon repayment by the member of his or her accumulated contributions as they were at the date of separation from service, together with interest thereon between the date upon which the withdrawal occurred and the date upon which his or her membership service credit are restored. The repurchase of service credits in any one calendar year shall be limited by the Internal Revenue Code § 415 (c) and the combined contribution limits established under Internal Revenue Code § 415 (e). The maximum payment permitted by the Internal Revenue Code shall accompany the application and each calendar year thereafter, and the member shall make maximum payment permitted by the Internal Revenue until such credits are fully restored. Such application shall be made by June 1, 2001, or within one year of re-employment whichever shall occur later. Interest shall be measured by the actuarial assumed rate of return for the respective year.

Part 2. This is a charter ordinance and shall take effect 60 days after its passage and publication, unless within such 60 days a referendum petition is filed as provided in s. 66.01 (5), Wis. Stats., in which event this ordinance shall not take effect until submitted to a referendum and approved by a majority of the electors voting thereon.

APPROVED AS TO FORM

Legislative Reference Bureau

Date: _____

IT IS OUR OPINION THAT THE ORDINANCE

IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date: _____

00494-2
TWM/cac
12/06/00