



## Legislation Text

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**File #: 971131, Version: 3**

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971131  
SUBSTITUTE 3

ALD. KALWITZ, BREIER, MURPHY, PRATT, WITKOWIAK AND SCHRAMM

A substitute charter ordinance relating to employe eligibility under the employes' retirement system.

- Analysis -

This charter ordinance relating to employe eligibility under the employes' retirement system, permits transferring employes of the Milwaukee metropolitan sewerage district and new employes of the sewerage district who are entitled to employes' retirement system membership to continue eligibility as employes within the meaning of the employes' retirement system provided such arranged status does not jeopardize the status of the employes' retirement act as a qualified governmental plan within the meaning of the internal revenue code and ERISA. If this charter ordinance is adopted, participation under such arrangement shall not commence until the employes' retirement system has received favorable determinations from the internal revenue service and the department of labor.

Whereas, Employes of the Milwaukee metropolitan sewerage district are members of the employes' retirement system; and

Whereas, The Milwaukee metropolitan sewerage district is entering into a contract with an entity which will assume responsibility for performance of substantially all operating and maintenance services of the Milwaukee metropolitan sewerage district; and

Whereas, It is contemplated that current employes of the Milwaukee metropolitan sewerage district will be given the opportunity to transfer to such entity; and

Whereas, It is the intent of the common council to facilitate the transfer in such a way so as not to disturb present members of the employes' retirement system and certain new hires' rights to membership in the employes' retirement system; now, therefore

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

Part 1. Any member of the employes' retirement system whose name currently appears on a regular payroll of the Milwaukee metropolitan sewerage district, who transfers to an entity responsible for performing substantially all operating and maintenance services for the Milwaukee metropolitan sewerage district under an agreement for such services between the entity and the Milwaukee metropolitan sewerage district, and any person hired by the entity and covered by a labor agreement entered into by the Milwaukee metropolitan sewerage district assumed by the entity, requiring enrollment of new employe as member of the employes' retirement system, shall continue to be considered an employe under s.36-02-13 of the Milwaukee city charter for purposes of accruing benefits under the employes' retirement system, provided:

- (1) Such members are transferred to such entity directly from employment with the Milwaukee metropolitan sewerage district; and
- (2) Such persons and members are directly utilized in the performance of such operation and maintenance services; and
- (3) The Milwaukee metropolitan sewerage district accepts direct responsibility for making employer and employe contributions to the employes' retirement system on account of such persons and members; and
- (4) Under such arrangement the employes' retirement system continues to qualify as a governmental plan under applicable law.

In order to meet the fourth requirement enumerated in part 1, the annuity and pension board shall receive written determinations from the internal revenue service and the department of labor. Pending such determinations, all amounts collected from the Milwaukee metropolitan sewerage district by way of employer contributions and contributions on behalf of such persons and members, and all earned credits, shall be held by the employes' retirement system in escrow. Upon receipt of favorable determinations, the board shall apply earned credits retroactively to the date of transfer and deposit escrowed contributions in the respective funds. In the event of unfavorable determinations, no credits shall be applied and the amount escrowed as affected by actual earnings thereon, shall be returned to such district.

For each such person and transferring member affected by the provisions of this charter ordinance, the annuity and pension board shall determine the applicable earnable compensation based on such reports as the board shall require from such district.

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 under 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.

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: \_\_\_\_\_

LRB97579.4

BJZ/dw

12/15/97