
FOR IMMEDIATE RELEASE



FOR INFORMATION CALL

May 21, 2013

Ald. Michael Murphy
(414) 286-3763

City pension changes projected to save more than \$90 million

Pension changes approved today by the full Common Council will save the city approximately \$93 million over the next 20 years, **Alderman Michael J. Murphy** said.

The changes were recommended for approval by the Finance and Personnel Committee, and WILL NOT affect current city employees who are already vested in the pension system, said Alderman Murphy, chair of the Finance and Personnel Committee.

“The pension changes approved by the Council today are welcome news to the taxpayers of the City of Milwaukee because of the estimated savings (of more than \$90 million), and will help ensure that the pension system stays the top-rated public fund in America (as rated by the Pew Charitable Trust),” Alderman Murphy said.

The changes approved by the Council today are largely based on the recommendations made in December 2012 by the Pension Study Task Force. Starting on January 1, 2014, the minimum service retirement age for new hires will be pushed back to 65 from its current age of 60. Those who have completed 30 years of service will now be allowed to retire starting at the age of 60, instead of the current 55. The service retirement allowance is scaled back to 1.6% of the member’s final average salary times the total years of creditable service, instead of 2%. And eligibility for a pension escalator of 2% per year would now begin after the fifth year of service retirement.

-More-

Pension changes/ADD ONE

In return for the changes, new hires would only contribute 4% of their compensation to the pension fund, rather than the current 5.5%.

In other matters:

The Council approved establishing a 13-member **Black Male Achievement Advisory Council** that would make recommendations to the Common Council on the important issue of promoting educational achievement and job readiness among black males. Members of the Advisory Council would be subject to Common Council confirmation, and the body would also oversee the City Leadership Grant to Promote Black Male Achievement from the National League of Cities.