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FOR INFORMATION CALL

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Ald. Michael Murphy
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None better than city's pension system, national report shows

The City of Milwaukee Employees' Retirement System (CMERS) is rated at the top of city pension systems in the U.S., according to a report just released by the **Pew Charitable Trusts**.

The report, entitled "*A Widening Gap in Cities: Shortfalls in Funding for Pensions and Retiree Health Care*," in part looked at 61 cities with pension systems, and how those systems are faring in relation to the Great Recession, according to **Alderman Michael J. Murphy**, longtime member of the city's ERS Annuity and Pension Board and chair of the Pension Study Task Force.

"According to the Pew report, these cities had a shortfall of \$99 billion in fiscal year 2009, the most recent year with complete data, and together, they had enough money to cover 74% of their employee pension obligations, compared with 78% for states," Alderman Murphy said. "As of 2010, our system was funded at 113%."

"But in Milwaukee, we have maintained a pension system that is fully funded and that has performed as the best in the U.S.," said Alderman Murphy, chair of the city's ERS Investment Committee, and chair of the Common Council's Finance and Personnel Committee.

Mayor Tom Barrett said the report provides good news to city retirees and to taxpayers. "I'm not surprised by the report's findings," said Mayor Tom Barrett. "Everyone involved in the managing and planning of the city's pension obligations – from our Employees' Retirement System staff, budget office and Alderman Murphy and the Finance and Personnel Committee – take a deliberate and professional approach."

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Pension system is tops/ADD ONE

John Barmore, a Milwaukee firefighter and chair of the Annuity and Pension Board, said Milwaukee is the best funded defined benefit pension plan in the U.S. “because we have an unblemished record of consistent and disciplined contributions from both the employer (city) and the employees.”

“Professional management leading to above average returns and low costs have given the system the ability to maintain its highly funded status, and prudent and vigilant oversight by the Board of Trustees continues to guarantee a dignified and sustainable retirement to thousands of workers while also being a very good value to the taxpayers of the City of Milwaukee, with 7/8's of all benefits being paid by market gains and member contributions,” Mr. Barmore said.

The Pew report’s executive summary states:
“Wide disparities exist in how prepared cities are to fulfill their pension obligations to employees. On the high end, Milwaukee and Washington, D.C., had surpluses at the end of fiscal year 2009, with enough money to cover 113 percent and 104 percent, respectively, of their liabilities. That was better than the best-funded state, New York, at 101 percent. At the other end of the spectrum, pension systems in four cities—Charleston, West Virginia; Omaha, Nebraska; Portland, Oregon; and Providence, Rhode Island—were more poorly funded than those in Illinois, which at 51 percent was the lowest-funded state. Charleston trailed all the other cities at 24 percent.”

The Pew report notes that many city pension systems are making changes to reflect today’s fiscal realities, and Alderman Murphy said this will also be happening in Milwaukee, where last month the Pension Study Task Force issued its report recommending changes meant to “ensure that our system meets its obligations to retirees and to the taxpayers of Milwaukee,” he said.

The Common Council has not yet acted on those task force recommendations.

CMERS is the sole pension plan for employees of the City of Milwaukee and related agencies and has approximately 27,000 members.