



DEPARTMENT OF EMPLOYEE RELATIONS

**IMPORTANT INFORMATION REGARDING PENSION CONTRIBUTION CHANGES EFFECTIVE FEBRUARY 1, 2015**

R. 02.11.15

Effective February 1<sup>st</sup> or Pay Period 4 of 2015, all *general city employee* members of the Employee' Retirement System who were hired prior to January 1, 2014 will contribute 5.5% of their earnable compensation (i.e., base salary) towards their pension. The following table summarizes employees' eligibility for salary adjustments as a result of having to make this 5.5% contribution per the WI Supreme Court decision on Act 10.

ERS Enrollment Date	Current Member Paid Pension Contribution	New Member Paid Pension Contribution as of 02/01/15	Salary Adjustment effective 02/01/15 (payroll check of 02/26/15)
On or before 12/31/99	0%	5.5% pre-tax	3.9%
After 12/31/99 but before 01/01/10*	1.6% post-tax during first 8 years of enrollment (208 payments) OR 0% if 1.6% contribution payments have been satisfied.	5.5% pre-tax (1.6% post-tax contribution ends)	1.45% in PP 4 for members who have not completed the 208 payments. The PP after the 1.6% contribution would have ended (208 payments), an additional 2.45% over the rate in effect prior to the implementation of the 1.45%**
<b>Employees with the following ERS enrollment dates are not eligible for the salary adjustment as described below:</b>			
On or after 01/01/10* but before 01/01/14	5.5% pre-tax	No change	Salary adjustment does not apply. The WI Supreme Court decision does not impact those members as they have already been making employee contributions of 5.5% upon ERS enrollment.
On or after 01/01/14	4% pre-tax	No change	Salary adjustment does not apply. The WI Supreme Court decision does not impact those members as they have already been making employee contributions of 4% based on a different plan design.

\* The effective date for the employee pension contribution change from 1.6 to 5.5% varies depending upon when the various Unions agreed to the change. The effective dates are as follows:

IBEW Lo. 494-Elec. 6/1/2010 MBCTC 8/1/2010  
 IBEW Lo. 494-Fire Alarm 6/15/2010 ALEASP 10/3/2011

\*\* Employees who have completed 1.6% post-tax payments (208 payments) by the implementation date will be eligible for the 3.9% salary adjustment, unless otherwise capped by the Mayor's salary.

**KEY PROVISIONS**

The salary adjustments are not general wage increases. They do not apply to employees who have been paying the 5.5% or 4% contribution prior to Pay Period 4 as described above. The salary adjustments do not change pay range minimums and maximums. Employees who are otherwise eligible for the salary adjustment are not capped by pay range maximums.

The provision of the Salary Ordinance that precludes the salary of any city official to exceed that of the Mayor still applies.

ERS members who are elected officials are not eligible for the salary adjustment but will be required to contribute either 5.5% or 7% of their earnable compensation dependent upon relevant provisions of City Charter Chapter 36.

ERS members who will contribute 5.5% in lieu of the 1.6% post-tax contribution will be eligible for a smaller adjustment initially but will receive the difference at the time their 1.6% contributions would have ended (after a period equivalent to 208 payments).

The net impact of the new pension contribution and the salary adjustment for members who will start making the contributions will vary based upon the employee's individual filing status, number of exemptions, etc.

Additional information can be found at <http://city.milwaukee.gov/DER>.  
 Please send your questions to [emprel@milwaukee.gov](mailto:emprel@milwaukee.gov)