

AMENDMENT TO THE RULES OF
THE PENSION BOARD OF THE EMPLOYEES'
RETIREMENT SYSTEM OF THE
COUNTY OF MILWAUKEE

RECITALS

1. Section 201.24(8.1) of the General Ordinances of Milwaukee County (the "Ordinances") provides that the Pension Board of the Employees' Retirement System of the County of Milwaukee (the "Pension Board") is responsible for the general administration and operation of the Employees' Retirement System of the County of Milwaukee ("ERS").
2. Ordinance section 201.24(8.6) allows the Pension Board to establish rules for the administration of ERS.
3. ERS Rule 1014 provides for the use of certain mortality tables and interest rates in calculating actuarial equivalence for certain purposes.
4. After receiving information from its actuary as a result of the five-year experience study, the Pension Board voted to change the assumed rate of return and also approved the use of the factors recommended by the actuary, including the use of different mortality tables.
5. The Pension Board desires to amend Rule 1014 to update the assumed rate of return and mortality tables.
6. In accordance with an opinion from Corporation Counsel's office, Retirement Plan Services reviewed the Rule amendment and determined a fiscal analysis is not required.

RESOLUTION

Pursuant to Ordinance section 201.24(8.6), the Pension Board hereby amends Rule 1014 to read as follows:

1014. Actuarial equivalent.

"Actuarial Equivalent," as used in section 201.24(2.13) of the Milwaukee County Code of General Ordinances shall have the following meaning:

- (a) *Converting Maximum Annual Benefit Limitation - PreAge 62.* For purposes of calculating the reduced dollar limit on annual benefits payable for a member who begins benefits prior to age sixty-two (62), as required by section 201.24(12.3), the term "actuarial equivalent" shall mean an amount having the same actuarial present value when computed on the basis of:
 - (1) *Mortality Table.* The mortality table specified by the Internal Revenue Service in Revenue Ruling 2007-67, or any successor revenue ruling thereto. Effective as of December 31, 2012, the mortality table is the 2013

Applicable Mortality Table, and

- (2) *Interest Rate.* An interest rate of five (5) percent compounded annually.
- (b) *All Other Purposes.* For all purposes under section 201.24(2.13) of the Milwaukee County Code of General Ordinances other than those specifically noted elsewhere in this Rule 1014, the term "actuarial equivalent" shall mean an alternative form or time of payment having the same actuarial present value when computed on the basis of:
 - (1) *Mortality Table.* A 50/50 blend of ~~RP-2014 Healthy Annuitant~~ male ~~table, projected to 2020 with mortality improvement scale MP-2016, with rates multiplied by one hundred and two percent (102%)~~ and of ~~RP-2014 Healthy Annuitant~~ female ~~table, Pub-2010 General Retired Lives Tables with rates multiplied by 104% for males and 121% for females~~ projected to 2020 ~~with using~~ mortality improvement scale MP-2021 ~~6, with rates multiplied by one hundred and seven percent (107%),~~ and
 - (2) *Interest Rate.* ~~A~~
 - (i) Effective January 1, 2024, an interest rate of seven and one-half four tenths (7.540) percent compounded annually.
 - (ii) Effective January 1, 2025, an interest rate of seven and two tenths (7.20) percent compounded annually.
 - (iii) Effective January 1, 2026, an interest rate of seven (7.00) percent compounded annually.