



Milwaukee County Board of Supervisors *Chairman Theodore Lipscomb, Sr., 1st District*

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New \$17 Million Pension Administration Error Disclosed

MILWAUKEE – Milwaukee County paid \$11 million in lump sum pension payments in November to retirees and their beneficiaries to correct for underpayments made to County employees who retired between 2001 and 2008. Future payouts are expected to cost an additional \$6 million.

Although a correction was made in 2009 to ensure accurate pension payments, the 2001-2008 underpayments were [not addressed until November 2016](#), which resulted in dramatically larger lump sum payments due to interest costs that accumulated at a rate of 8% annually.

County Board Chairman Theodore Lipscomb, Sr., has requested an analysis from the County Comptroller of the additional costs that were incurred as a result of the County Executive's failure to act sooner to implement an administrative fix of the problem.

Chairman Lipscomb made the following statement.

"Has the County Executive known about these errors since he took office in 2011? The amount the County owes grew every year by 8%, saddling us with dramatically larger costs than what we would have paid if the problem had been corrected sooner.

"I was disappointed to learn that County Executive Abele waited almost a month after receiving an actuarial report before informing the Board that in just four days, \$11 million in lump sum payments would be paid out to retirees or their beneficiaries.

"By waiting nearly a month to inform the Board of underpayments to retirees, the County Executive denied the Board the opportunity to discuss the \$17 million error during the budget process, and kept the public in the dark.

"The lack of previous disclosure and transparency from the County Executive and staff under his authority in the Employee Retirement System is disappointing. I have urged the Director of Retirement Plan Services to hold their meetings at a location where proceedings can be livestreamed for the public and recorded."

The County Board will meet to discuss the issue in committee meetings scheduled for December 2 and December 8. Supervisors on the Personnel Committee and Finance and Audit Committee expect to receive additional explanation about the extent of the errors and delayed response in addressing them.

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