



Employees' Retirement System of the City of Milwaukee

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2024 ERS NEWSLETTER

FOR ACTIVE MEMBERS AND MEMBERS ON DEFERRED STATUS

Please read both sides of this newsletter! It contains important information regarding your ERS benefits.

Information regarding the ERS and Benefits can be found:

- **Website:** Please visit our website at www.cmers.com to view information about the ERS and use our online calculator to estimate your future pension benefits (see ERS Member Self Service paragraph for more information).
- **Member Handbook:** The member handbook is available on our website at www.cmers.com.
- **Brochures:** The ERS has developed a series of brochures outlining specific ERS benefits including information on the retirement process, disability benefits, estimated service retirement benefits, etc., available online or upon request.

Active Members If you are currently working for the City or one of the City Agencies - MMSD, MPS, HACM, RACM, Veolia, or WCD, please keep your address current by *notifying your employer* of any address changes. The ERS receives updated address information from your employer. If you intend to retire, you must notify the ERS and apply for the retirement benefits at the ERS 30 to 90 days prior to your anticipated retirement date.

Deferred Members It is imperative that you keep us informed of any address and name changes so we can contact you when you are eligible for your benefit. For **address changes**: a Change of Address Form is available on our website (click on *Forms* and print the *Change of Address Form – Deferred/Retired Members* form) or by contacting our office. You may also change your address using the self-service feature on our website. For **name changes**: please submit a written request with the following information a) your signature, b) your ERS person ID number (located on upper right-hand side of your enclosed Member Account Statement) or social security number, and c) documentation of the name changes (*e.g.*, marriage license).

Pre-retirement Workshops for City Employees The ERS will be conducting pre-retirement planning sessions for employees (general, fire, and police) throughout the year. These sessions are intended for City employees planning to retire in the next few years, but anyone is welcome to attend. Please visit our website (www.cmers.com) for information and dates about upcoming sessions. Representatives from the ERS, Deferred Compensation, and the Social Security office will be present to provide an overview of pension, group life insurance, health and dental insurance, deferred compensation, Social Security, and Medicare. Please visit the ERS website (www.cmers.com) to sign up for one of these sessions.

ERS Member Self Service (MSS) From the www.cmers.com home page, active and deferred members are able to set up a user account by registering with our website. To register, you will need to select a user identification and password, provide an email address and some information that helps us confirm your identity. Once registered, members can sign in using their private user identification and password. MSS features include the ability to:

- View your personal profile, correct personal information and addresses, change family status
- View information about your member account (contributions, service credit)
- Calculate and print a pension benefit estimate using information the ERS has on file
- Register for, and be reminded of, retirement counseling sessions

A Note from the ERS Executive Director

As you may be aware by now, as a result of 2023 WI Act 12 the Employees' Retirement System (ERS) was closed to new hires as of January 1, 2024. All eligible employees hired or rehired on/after January 1, 2024 are now part of the State's retirement system – the Wisconsin Retirement System (WRS). While that is big change and we are “soft” closed, the ERS continues to operate to pay benefits for over 29,000 members (pensioners, separated employees, and active employees who were hired prior to 2024). Current active employees who were hired prior to 2024 continue to contribute towards their pension to the ERS which will administer their benefit, and the ERS continues to receive employer required contributions from its participating employers. The ERS's investments continue to perform well in the market and our 20-year return is about 7% (compared to a benchmark of 6.8%). While our plan is closed to new hires, rest assured that ERS will continue to operate to pay the benefits due all enrolled members into the 22nd century. The ERS Board and the Plan Sponsors are committed to ensuring that benefits that have been earned by the ERS membership are paid out correctly and fully as promised. If you have any questions, please feel free to reach out to the ERS at 414-286-3557 or via email at norm@cmers.com.

Update your e-mail To better serve you, please help us build our list of member e-mail addresses by sending an e-mail to norm@cmers.com, or by creating a Member Self Service account via our website (www.cmers.com).

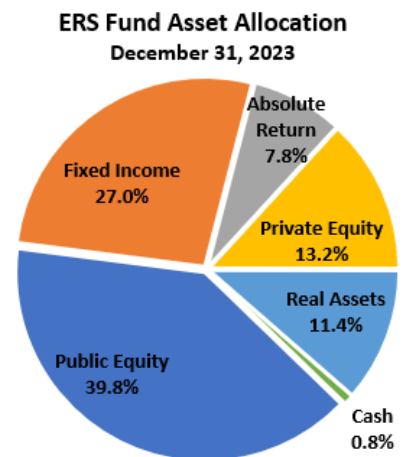
****IMPORTANT** Notice of Change to Actuarial Factors** The ERS utilizes survivorship and other calculation factors based upon ages, mortality, etc. when calculating your retirement benefits. These factors are determined by the system’s actuary and are revised periodically. The Board has adopted new factors based upon a recent 5-year experience study, and new factors will be effective for retirement on/after May 1, 2024.. This change in factors may affect the benefit that is eventually paid out to you in some situations (e.g. if you elect a survivorship benefit, retire using the early retirement option, etc.). If you are eligible to retire on/before May 1, 2024, and would like to determine the impact of the change, please request new estimates from the ERS Office using different retirement dates (before and on/after May 1, 2024). Alternatively, you can perform unofficial calculation on the self-service site – *please note that if you intend to retire, you must request an official estimate from the ERS 30 to 90 days prior to your anticipated retirement date.*

****IMPORTANT** Beneficiary Information for Active and Deferred Employees** If you need to change your pension beneficiary information go to: www.cmers.com – click on *Forms* and print the *Beneficiary Change Form – Pension Benefits - Active/Deferred Members* or contact our office and a form will be sent. Please read the instructions carefully on the forms before completing them in order to avoid making errors. Be sure to have two people witness the form who are not named as beneficiaries—make a copy for your records.

NOTE: Group life insurance beneficiary designations are separate from pension beneficiary designations. If you need to update your life insurance beneficiary(ies) and are an employee of the City of Milwaukee, HACM, RACM, or WCD, go to www.cmers.com - click on *Forms* and print the *Beneficiary Change Form – Life Insurance* or contact our office and a form will be sent to you. All other employees please contact your Human Resources office; the ERS does not handle your life insurance coverage.

ERS Funded Status The ERS funding ratio decreased for 2023 as reported by Cavanaugh-Macdonald, the ERS’s independent actuary. The funded status of your Plan as of January 1, 2023, based on the actuarial value of assets was 76.6% down from 83.4% in the prior year’s report. Most of this decrease can be attributed to the changes mandated by 2023 WI Act 12. The ratio as of January 1, 2024, will not be determined until the actuary presents the results of the valuation later this year.

Investment Update The City of Milwaukee Pension Fund reported a return of 10.0%, net of fees, in 2023. This return underperformed the Fund’s blended benchmark by - 2.4%. Markets were volatile to start the year, but by the fourth quarter, falling inflation rates led to expectations the Fed would soon start to cut interest rates, leading to a strong rally in stocks and bonds. The Fund’s public equity allocation had a return of 21.0%, net of fees, for the full year. Fixed income was up 6.7%, net of fees. Absolute return was up 6.3%, net of fees. Private equity and real assets, which both report returns on a 1-quarter lag, had returns of 2.9% net of fees, and -7.2% net of fees, respectively. Within real assets, the higher level of interest rates, as well as vacancies in the office sector, both had negative impacts on valuations during the year. The value of the Fund on December 31, 2023, totaled approximately \$5.71 billion.



Annuity and Pension Board An 8-member board of trustees governs the ERS. The President of the Common Council appoints three members; the active membership elects three members; the retired membership elects one member; the City Comptroller serves as an ex-officio voting member. Current Board Members and their term expiration dates, or until replaced, are as follows:

Matthew Bell (Chair)	Elected Active	December 31, 2025
Deborah Ford	Appointed by Common Council	
Timothy Heling	Elected Active	December 31, 2026
Molly King	Elected Active	December 31, 2024
Thomas Klusman	Elected Retiree	December 31, 2025
Rudolph Konrad	Appointed by Common Council	
Nicholas Kovac	Appointed by Common Council	
Aycha Sawa	City Comptroller – Ex-Officio	

The Board meets monthly to assure the proper governance and oversight of the Fund. The meetings are public and members are welcome to attend. Past Meeting Minutes are available at www.cmers.com – click on *News & Information* → *Library* → *Board Meeting Minutes*.