

#15 Reciprocity Benefits between the City of Milwaukee Employees' Retirement System, Milwaukee County Employees' Retirement System and Wisconsin Retirement System

WHAT RETIREMENT SYSTEMS ARE COVERED UNDER RECIPROACITY?

Wis. Stat. §40.30, provides limited reciprocity between the City of Milwaukee Employees' Retirement System (ERS), the Wisconsin Retirement System (WRS), and the Milwaukee County Employees' Retirement System. You may benefit from this law if you are not yet retired **and** you have a retirement account with at least two of these three public retirement systems in Wisconsin.

WHO MAY BE ELIGIBLE FOR RECIPROACITY?

Most employees of the City of Milwaukee, including non-teaching employees of Milwaukee Public Schools, are covered by the City of Milwaukee ERS. Milwaukee County employees are covered by the Milwaukee County Employees' Retirement System. Employees of the State of Wisconsin, teachers in a public school system (including Milwaukee Public Schools), or most local governmental units (villages, cities, counties, school districts, etc...), with the exception of the City and County of Milwaukee, are covered under the WRS.

WHAT IS RECIPROACITY?

Under reciprocity, the employee's separate retirement accounts from these systems are not combined into one account; the benefits from each system are calculated separately. However, under some circumstances, you may be able to increase your retirement benefits payable from one or more of these systems by electing to have your benefits calculated under reciprocity.

Under reciprocity, each retirement system calculates your benefits using the benefit formula in effect on the date you terminate all employment covered by one of the three participating retirement systems.

ELIGIBILITY

To qualify for reciprocity you must meet several requirements:

- Employment from at least one of the three participating retirement systems must terminate on or after May 11, 1990.
- You must meet the vesting requirements in one of the three participating retirement systems and subsequently become employed in a position covered under one of the other participating systems.
- The retirement benefits from all applicable retirement systems must be effective within a 60-day period. This means that you generally cannot begin receiving any benefits until you have terminated all employment covered by the three retirement systems. You should consider whether it would be more beneficial to begin receiving benefits from each retirement system separately, rather than using reciprocity.
- If you have closed your account from one of the three participating retirement systems that closed account cannot be considered when determining eligibility for reciprocity.
- You must file your election with all of the participating retirement systems of which you are currently a member. If you elect to have your retirement benefits calculated under reciprocity, it will apply to the benefits from all of the eligible systems.

BENEFITS UNDER RECIPROCITY

If you qualify for reciprocity and elect to have your benefits calculated under these provisions, your benefits from each system are calculated separately under the laws of the respective systems. However, benefits from one or more of the retirement systems may be affected in the following ways:

- If you meet the vesting requirements in one of the three participating retirement systems, under reciprocity, your years of service under the vested system can be used to meet the vesting requirements for subsequent participating retirement systems. This could qualify you for a retirement benefit from a later system for which you might not otherwise be eligible. However, you must meet all the eligibility requirements of each system and your retirement benefit from all eligible systems must begin within a 60 day period.
- Under reciprocity, if the ERS is the earlier retirement system, your ERS benefit is calculated under the formulas in effect for the ERS the last date you terminate employment covered under any one of the participating retirement systems. This could allow you to take advantage of any ERS benefit improvements that have occurred since you terminated employment covered under an earlier retirement system. You must contact the WRS and/or the Milwaukee County Employees' Retirement System to determine what affect, if any, that reciprocity would have on those benefits.
- The final average earnings from each earlier system that is used to calculate the retirement benefit from that system is increased by the national salary index [under 42 USC 415 (b) (3) (A)], updated to the last day paid for the last employment covered under one of the three participating retirement systems.
- If you have military service that qualifies for credit under one or more of the participating retirement systems, you can only use your military service for credit in one of the systems. If you are eligible for military service credit in more than one system, it is very important that you identify how it would increase your benefit in each system before deciding which system would provide the greatest benefit for your military service. Be sure to consider potential future annuity increases when making this decision.
- Reciprocity applies only to the benefits under the system in which the employee is first vested and from subsequent systems; it does not retroactively vest you under previous system(s).
- Reciprocity applies only to retirement benefits; it cannot be used to qualify for disability benefits.

HOW TO PROCEED

If you believe that you qualify and that reciprocity may increase your retirement benefits, your first step is to have your earlier service verified by the appropriate retirement systems. To do this, you must request an *Employee Summary of Prior Employment Covered by a Wisconsin Public Employees Retirement System form* from the City of Milwaukee Employees' Retirement System and submit it to the previous retirement system(s) with which you have an account. To obtain a form, please call ERS at (414) 286-3557 or toll-free at (800) 815-8418 or visit the ERS website at www.cmers.com, select the "Benefits and Forms" link and click on "Forms". If you have inactive accounts with two participating retirement systems, you will need a separate form for each previous system.

The previous system(s) must verify your service and account status and send a copy of the completed form to each of the other two systems. The completed form should be on file with the City of Milwaukee ERS, WRS, and/or the Milwaukee County Employees' Retirement System. This will provide each system with documentation of your potential eligibility for reciprocity when you request retirement benefit information from

the systems you are a member. This form will also serve as notification to the applicable system of your intention to have your benefits calculated under the reciprocity provisions as specified in §40.30, Wisconsin Statutes, if such an election will provide the highest benefit to which you are entitled.

We encourage you to have your past service verified at least one year before your anticipated retirement date. This will ensure adequate lead time to get all of the information you need, which is critical since the benefits from each system calculated under reciprocity must begin within 60 days of each other. **When you request retirement benefit estimates from each system (normally 6-12 months before your anticipated retirement date), it is very important that you request information about how reciprocity would affect your benefits from each system.** You will need this information when deciding whether to elect to have your benefits calculated under reciprocity.

WHO TO CONTACT:

Milwaukee County Employees' Retirement System

Milwaukee County Courthouse
Room 210-C
901 North 9th Street
Milwaukee, WI 53233
(414) 278-4143

Wisconsin Retirement System

Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53707-7931
(877) 533-5020 (toll free)
(608) 266-3285 (Madison area)

The City of Milwaukee Employees' Retirement System does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech, hearing or visually impaired and need assistance, please contact our office at (414) 286-3557 or toll free at 1-800-815-8418 or send an email to norm@cmers.com and we will attempt to get the information to you in an alternative format.