



# Employees' Retirement System City of Milwaukee

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## December 2020 Retiree Newsletter

Please read the entire newsletter as it contains important information concerning your enclosed December check stub or direct deposit form, 2020 tax reporting, and health insurance updates for City of Milwaukee retirees.

### Note for Retirees with the City's Health Insurance

As required by the Affordable Care Act (ACA), the City of Milwaukee, as the health plan sponsor, sends out **Form 1095-B** to retirees who have health insurance coverage through the City. This form is mailed separately from your 1099-R form and will be mailed at the end of January 2021. Please wait until February 15, 2021 before you contact this office for a replacement. Retirees who receive a non-taxable benefit, but have health insurance will also receive this form. Please note that the amounts listed on this form will only include premium deductions for the City's **health** plans. If you have any other insurance coverage being deducted from your pension payment, including the City's dental insurance coverage, please retain your December 2020 payment stub for those year-to-date totals.

### 1099-Rs for 2020

If your pension benefit is subject to Federal income tax, the 1099-R for the pension benefits paid to you in calendar year 2020 will be mailed by the end of January 2021 in accordance with IRS regulations. If you are a recent retiree and received a GPS lump-sum bonus during 2020, you will receive a separate 1099-R for that portion of the bonus you rolled over. Any portion taken in cash will be included with the 1099-R containing your monthly annuity payments. If you receive multiple benefits from ERS (e.g. your own retirement benefit as well as a survivorship benefit from the account of your deceased spouse), you will receive a separate 1099-R for each benefit you received in 2020. Your 1099-R will be mailed to the address on file with this office. If you want this form mailed to another address, you must inform the ERS office in writing no later than January 10, 2021. Please note that all 1099-Rs will be mailed on the same date, but they may arrive at your address at different times. The post office will be delivering millions of these forms at about the same time, so there is a possibility your form might be delayed in the mail.

**Important:** Do NOT make an appointment with your tax preparer/accountant until you receive your 1099-R form. If you have not received your form 1099-R, please wait until February 15, 2021 before you contact this office for a replacement. No replacements will be processed before that date. In addition, replacement 1099-Rs are not processed on a walk-in basis. Requests are processed in the order received.

### Recently Retired ERS Members



Linda Barnett- MPS  
Gisele Brister Lee- MPS  
Cheryl Cook- Common Council  
Julia Cooper Felts- MPS  
David Drobnik- MPS  
Kimley Emerson- MPD  
Mark Fritz- MMSD\*  
Serena Geil- MPS\*  
Jeffrey Granberry- DPW- Operations  
Jeffrey Griffin- MPD\*  
Kevin Hart- MFD  
Darlene Hauser- MPS  
Miriam Horwitz- City Attorney  
Valdis Kalve- Health  
Greg Larson- MFD  
Jeffrey Lelinski- MPD\*  
Diane Liberto- MPS\*  
Josephine Lopez- MPS  
Stephanie McWilliams- MPS\*  
Edward Nolinski- MFD  
Jacqueline Purdy- DCD  
Spencer Ramsdell- MFD  
John Schwengel- MFD  
Kevin Seymour- MFD  
David Snyder- Wisconsin Center  
Harry Vega- DPW- Sanitation\*  
Frederick Williams- MPS

\*Deferred

### Important Dates in January:

January 1, 2021 – New Year's Day Holiday (**ERS closed**)  
January 11, 2021 – Affidavits for lost December checks begin.  
January 18, 2021 – Martin Luther King, Jr. Day Holiday (**ERS closed**)

Your January 2021 benefit payment will be mailed on January 28 and made payable for January 29.  
Direct deposits will be in accounts on January 29.

## **Attention All Members – Especially Those Receiving Duty Disability Benefits**

Please be sure to retain all of your pay stubs, especially your December check stub or direct deposit advice. This statement summarizes your monthly annuity pay and deduction amounts for the calendar year. For example, you will see that all of your health insurance premiums paid for the year are found under the “Year-To-Date” column on your stub/advice. You may need this information when completing your tax return since health insurance deduction totals are not included on your 1099R form. **IMPORTANT:** If you receive a benefit, which is not taxable and, therefore, not reportable on a form 1099R, **such as a duty disability** or accidental death annuity, this year-end statement will be the only record you will have of your payments. **You will not receive a 1099R form; please refer to your final pay stub for this information.**

## **2021 CPI COLA Factor is 1.1745%**

*(This only affects certain Police and Fire Retirees)*

Every December, the ERS calculates the rate to be used to determine COLA factors granted to most protective service members based on the Consumer Price Index – All Urban Consumers (CPI-U). In November of 2020, the index was 260.229 as compared with 257.208 in November of 2019, an increase of 1.1745%.

The CPI COLA is calculated using the Consumer Price Index – All Urban Consumers data. The CPI statistics can be found on the U.S. Department of Labor Statistics website: <http://data.bls.gov/cgi-bin/surveymost?cu> Select the first index in the list presented on the website. Take the current year’s November 2020 index number and subtract the November 2019 index number. Divide this answer by the November 2019 index number.

COLA increases granted in calendar year 2021 to those protective service members whose COLA is determined by the CPI-U will be 1.1745%.

## **2021 RMD Reminders from the City of Milwaukee Deferred Compensation Plan**

The *Setting Every Community Up for Retirement Enhancement (SECURE) Act* was enacted into federal law on January 1, 2020 and included a number of retirement savings and employee benefit changes.

Among those changes was an increase in the age for required minimum distributions (“RMDs”) for plan participants in 401(a), 401(k), 403(b), and 457(b) plans and for traditional IRA owners if the individual had not already turned age 70 by June 30, 2019.

The new age at which retirees must begin taking RMDs generally is now age 72. Similarly, the new age for owners of traditional IRAs to begin taking RMDs is age 72. This will leave more time for individuals to reach their savings goals. If you turned age 70½ in 2019 or earlier, the new RMD starting age does not apply, even if distributions were deferred to April 1, 2020.

Note that the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)* waived the obligation to take a RMD for the 2020 tax year and to take the RMD for the 2019 tax year if the individual had not yet taken that RMD in 2019 and would have been required to do so no later than April 1, 2020. For more information about the IRS contribution limits for 2021 or the RMD changes as a result of the SECURE Act, please call the Deferred Compensation Plan Information Line at 844-360-MDCP (6327).

## *In Memoriam*

### *ERS Retirees who have recently died:*

Shirley Adams-MPS  
Rita Akahoshi-DCD  
Donald Balcerzak-MPD  
Gerald Becker-MFD  
Wayne Beffa-Bureau of Forestry  
James Bower-MPS  
Richard Brzycki-Bureau of Sanitation  
Larry Christian-MFD  
Kevin Clark-MFD  
Robert Clemins-Traffic Engineering & Electrical  
William Coffey-DCD  
Anibal Collazo-MPS  
Raymond Czerwinski-MPS  
Gregory Davis-MFD  
Leonard Dekutowski-MFD  
Roberto Delgado-Library  
John Dirk-MPD  
Anthony Dragosh-MPD  
Virginia Driesen-MPS  
Howard Dunkelow-DER  
Richard Dworczyk-MPD  
Allan Dzemske-MPS  
Robert Gest-Bureau of Engineers  
Verdeen Goodman-MPS  
William Guy-MPD  
David Hall-Legislative Reference Bureau  
Dennis Henning-DCD  
Janice Higgins-MPS  
Maxine Hunt-MPS  
Jeraldine Jackson-MPD  
Anthony Joachimczyk-MFD  
James Kazmierski-MPS  
Gerald Kernan-MPD  
Karen Kirkland-Wisconsin Center  
Kenneth Koch-MPD  
Matthew Kozik-MFD  
Virginia Lewis-MPS  
Ruth Loeschmann-Health  
Charles Mcknight-MPS  
Vickie Miller-MPS  
Dennis Murack-United Water Services  
Vincent Murillo-MPS  
Marlene Osse-MPD  
Stanley Pauli-MPS  
Rudolph Pluta-Municipal Equipment  
Thomas Serocki-Bureau of Bridges & Public Buildings  
Walter Shadof-MPD  
Rossie Spears-MPS  
Michael Stancl-Housing Authority  
Luz Tovar-Health  
Catherine Tune-MPS  
Clem Tyler-Neighborhood Services  
Michael Tyree-MPS  
Steven Vento-MPD  
Jean Verden-MFD  
Sharon Vomberg-MPD  
Donald Werra-Housing Authority  
Norman Wilke-DPW-Water  
Elijah Williams-MPD