

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
789 N. WATER ST. (Employees' Retirement System)
WEDNESDAY, JUNE 24, 2026 – 9:00 A.M.**

Special Notice: The meeting will be held remotely via video conference. Instructions on how to observe the meeting will be available on ERS's website (www.cmers.com) prior to the meeting.

Please note and observe the following remote attendance etiquette to ensure a smooth and productive meeting:

- In order to cut down on background noise, participants in the meeting should put their phones on mute when they are not participating.
- At the start of the meeting, the Chairman will announce the names of the members of the Board present on the call, as well as anyone else who will be participating.
- Please request to be recognized by the Chairman if you would like to speak.
- Those participating on the call should identify themselves whenever they speak, and should ensure that the other participants on the call can hear them clearly.

REGULAR MEETING

I. Approval of Minutes.

- A. Regular Meeting Held May 27, 2026.

II. Chief Investment Officer Report.

- A. Approval of BlackRock Institutional Trust Company, N.A. Contract Amendment.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (II.B. and II.C.), as provided in Section 19.85(1)(e), Wisconsin Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

- B. Fixed Income Manager Due Diligence Report.
C. Consider, Discuss, and Potentially Approve Fixed Income Manager Contract.

III. Investment Committee Report.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (III.A.), as provided in Section 19.85(1)(e), Wisconsin Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

- A. Consider, Discuss, and Potentially Approve Request from Apogem Capital regarding consent to Amend Apogem Private Equity Fund XI LPA.
B. Approval of Statement of Investment Policy Update.

IV. A&O Committee Report.

- A. Approval of A&O Committee Internal Audit Charter.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following items (IV.B. and IV.C.), as provided in Section 19.85 (1) (e), Wisconsin Statutes, for

deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

- B. Review of Results of RFP for Internal Audit Services and Approval of Vendor Selection.
 - C. Approval of Front Desk Security Hardening Project Proposal.
- V. New Business.
- A. Presentation by Larry Langer and Aaron Chochon of Cavanaugh Macdonald and Acceptance of 2026 Actuarial Valuation Report and Consider Approval of Updated Funding Policy Reports.
 - B. Retirements, Death Claims, and Refunds (May).
 - C. Conference Requests – June 24, 2026 Board Meeting.
 - D. Approval of At Large Member Election Bulletin No. 201.
- VI. Medical Reports.
- A. All Duty & Ordinary Disability Applications & Re-examinations (June).
- VII. Unfinished Business.
- A. Pending Legal Opinions and Service Requests Report.
 - B. Pending Legislation Report.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (VI.C.), as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

- C. Pending Litigation Report.
 - D. Executive Director's Report – Inventory of ERS Projects.
- VIII. Informational.
- A. Conferences.
 - B. Class Action Income 2026 YTD.
 - C. Minutes of the Investment Committee Meeting Held May 7, 2026.
 - D. Report on Bills.
 - E. Securities Lending Revenue and Budget Report.
 - F. Preliminary Performance Report and Asset Allocation.

MEETING REMINDERS

REGULAR MEETING OF THE ANNUITY AND PENSION BOARD

WEDNESDAY, JULY 22, 2026 – 9:00 A.M.
789 N. WATER ST.

I.

APPROVAL OF MINUTES

- A. Regular Meeting Held May 27, 2026.

**EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
ANNUITY AND PENSION BOARD**

Minutes of the Regular Meeting
held May 27, 2026 via teleconference

The meeting was called to order at 9:01 a.m.

Board Members Present: Jerry Allen
 John Barmore
 Matthew Bell, Chair
 Bill Christianson
 Justin DeCleene
 Deborah Ford
 Timothy Heling
 Nik Kovac

Retirement System Staff Present: Patrick McClain, Executive Director
 Daniel Gopalan, Chief Financial Officer
 Gust Petropoulos, Deputy Director
 David Silber, Chief Investment Officer
 Erich Sauer, Deputy Chief Investment Officer
 Keith Dickerson, Pension Investment Analyst - Senior
 Thomas Courtright, Pension Investment Analyst II
 Mary Turk, Business Operations Analyst
 Jan Wills, Board Stenographer

Others Present: Lauri Rollings, City Attorney's Office; Lauren Albanese, Financial News; Terry Siddiqui, DS Consulting, Inc., six members of the public called in to the meeting.

Approval of Minutes.

Regular Meeting Held April 29, 2026.

It was moved by Mr. Bell and seconded by Mr. Christianson to approve the minutes for the Regular Meeting Held April 29, 2026. The motion was adopted by unanimous consent.

At this point, the Chair took the meeting out of order to the Investment Committee Report.

Investment Committee Report. Mr. Heling said at its May 7th meeting, Callan provided a presentation on the Fund's Real Estate allocation, and also went over its Assessment of the Fund's stock and bond investment managers. He said part of the Real Estate presentation took place in closed session for competitive or bargaining reasons. In addition, Mr. Heling said Callan provided a presentation on the Fund's Public Equity Structure, focusing on the importance of doing the Structure, showing how much market capitalization-weighted indices have changed in recent years, and explaining the historical rationale for the small cap and value biases that the Fund's Public Equity allocation has intentionally incorporated for the past 30 years. He noted Callan presented three Alternative structures for the Committee to discuss, and compared them to the Structure that was selected back in 2022 and to the Current Targets. Mr. Heling stated that after a good discussion, the Committee selected Alternative 2 within Callan's presentation, which strives to maintain similar Value, Small, and North American allocations compared to what was approved

in the 2022 Structure. He said that finally, Staff went over the Fund's 1st quarter 2026 performance report, and the Committee approved updates to the Real Estate Investment Policy Statement that incorporated the changes made earlier this year to the Fund's Real Assets allocation. Mr. Heling stated that the Investment Committee recommended approval of the following items: 1. Approval of Real Estate Investment Policy Statement Update; and 2. Approval of Public Equity Structure (which was identified as Alternative 2 within Callan's presentation).

Approval of Real Estate Investment Policy Statement Update. It was moved by Mr. Bell and seconded by Mr. Heling to approve the Approval of Real Estate Investment Policy Statement Update. The motion was adopted by unanimous consent.

Approval of Public Equity Structure. It was moved by Ms. Ford and seconded by Mr. Allen to approve the Approval of Public Equity Structure (which was identified as Alternative 2 within Callan's presentation). The motion was adopted by unanimous consent.

The Chair returned the meeting to order at the Chief Investment Officer Report.

Chief Investment Officer Report. Mr. Sauer noted the Fund ended the month of April with a value of \$6.66 billion. He said the Fund return of 3.4%, net of fees, underperformed by approximately 31 basis points. Mr. Sauer said for the main relative performance drivers, Public Equity detracted 65 basis points in total, with 41 basis points from Manager Selection and 24 basis points from Style Bias. He said within Manager Selection, April was a strong snapback month for markets so most of the managers in our public equity portfolio underperformed their benchmarks a bit. Mr. Sauer noted within Style Bias, it was primarily value that detracted. He stated there was some offsetting performance within Manager Selection elsewhere in the portfolio. Aptitude added 13 basis points, Loomis Sayles added nine basis points, and Private Equity and Real Estate added five basis points each. Mr. Sauer said the Fund underperformed over the one-, 15-, and 20-year time periods, while outperforming or in-line in all other time periods. He said through May 26, the Fund was up 1.1% month to date, which brings the year-to-date return to 4.7%, and the Fund value to \$6.73 billion. Mr. Sauer noted seven out of the Fund's 12 active mandates are outperforming year-to-date. He said Absolute Return asset class is exceeding its benchmark year-to-date, net of fees. Mr. Sauer said year-to-date, the Fund had a change in the value of investments of \$310.4 million, received contributions of \$220.3 million, and paid out benefits and expenses of \$175.7 million. He said Mr. Silber would talk on cash activity in his comments.

Mr. Silber talked about the Public Equity Structure that was approved at the May Investment Committee Meeting and by the Board, and said small steps have been taken already to implement it. He said a lot of the investment managers whose target weights declined as a result of the new Structure happen to be in mandates in which the ERS invests in the manager's commingled or mutual-fund-type vehicle. Mr. Silber noted these vehicles have billions of dollars in them, which means that when the ERS sets up a transaction of tens of millions of dollars, while it is a lot of money for the Fund, it does not have as big of an impact on the vehicle's transaction costs. He noted that because of this, the ERS may be able to complete the implementation of the new Structure sooner than it otherwise would have been able to. Mr. Silber also said that there is one thing about some of the commingled and mutual fund mandates that is preventing him from making quicker progress to implement the new Structure, and that has to do with one or two of these vehicles having policies that state that transactions can only take place on specific dates once or twice a month. Mr. Silber said because of this, initial progress on implementing the Structure has been a little slower than he would prefer because the ERS has to work within the confines of the transaction schedules of these vehicles. He noted there are two ways to implement the new

structure, one way is to redeem money from the overweight managers, and the other way is to add money to the underweight managers. Mr. Silber stated because of how well the Fund's Public Equity allocation has done this year, the Fund was almost 2% overweight to Public Equity when the new Structure was approved in early May. He said he is prioritizing getting the Public Equity asset allocation closer to its 36% target first, which means that more withdrawals from managers are happening in May. Mr. Silber said that once the Fund's Public Equity allocation is closer to target, there will likely be more flows between any remaining overweight and underweight managers. Mr. Silber then discussed the monthly cash withdrawals slide showing the list of managers and flows which are scheduled to happen or already have happened. He said that the next Investment Committee Meeting is Thursday, June 4 where a couple of equity investment managers, DFA and Earnest, will be presenting virtually. Mr. Silber concluded that there will be a couple of approval items also.

New Business.

Retirements, Death Claims, and Refunds (April). Mr. McClain presented the following activity for the month of April 2026.

Administrative Withdrawal	\$7,969.81
Full Refund	\$108,325.48
Active Death Benefits reported	\$0.00
Deferred Death	\$54,186.53
Deferred Death-Member Only Refund	\$555.78
Ordinary Death Benefits reported	\$160,102.26
Retired Death Benefits reported	\$33,021.88
Survivor Death – Termination Benefits reported	\$39,971.52
Refund of Member Contributions paid	\$46,115.07

It was moved by Mr. Bell and seconded by Mr. DeCleene to approve the Retirements, Death Claims, and Refunds report for April 2026. The motion was adopted by unanimous consent.

Conference Requests – May 27, 2026 Board Meeting. Mr. Bell presented the conference requests for May and welcomed Mr. Allen back to the team.

Jerry Allen	NCPERS Public Pension Funding Forum
Sponsor:	NCPERS
Location:	Chicago, IL
Date(s):	August 17-19, 2026
Estimated Cost:	\$1,500.00

It was moved by Mr. Bell and seconded by Mr. Christianson to approve the Conference

Requests – May 27, 2026 Board Meeting. The motion was adopted by unanimous consent.

Appointment of Jerry Allen to the Annuity and Pension Board. Mr. McClain stated that Mr. Allen has been appointed as a Trustee to the Annuity and Pension Board and the ERS is happy to have him back. He noted that he is personally grateful that Mr. Konrad, who had a deep well of knowledge about this Plan and its history, is being replaced by another individual who has an equal, if not deeper, well of knowledge about this Plan and its history. Mr. McClain welcomed Mr. Allen on behalf of the ERS. Mr. Allen said it is great to be back and the Board will be able to look out for the best interests of its members and beneficiaries because the Board is sworn to do so.

Approval of Resolution for Retiring Deputy Director Melody Johnson. Mr. Bell read Ms. Johnson’s Resolution.

WHEREAS, Melody Johnson served at the City of Milwaukee with integrity since 1995 for over 31 years, including at the Employees’ Retirement System (ERS) for over 25 years, progressing steadily in responsibilities; and

WHEREAS, Melody Johnson served as the ERS’ Deputy Director from 2017 to June 2026, and in that capacity provided oversight for the administration of staff, served as the ERS’s Human Resources Manager, guided the organization and its staff and managers through a myriad of challenges, and delivered critical assistance in the development and management of office protocols during COVID; and

WHEREAS, Melody Johnson served as the ERS’s Chief Financial Officer between 2009 and 2017, and during that time managed and issued ERS’s annual financial statements, ensured the accuracy of pension payrolls, prepared annual budgets for the department, reconciled departmental expenditures, supervised personnel in the accounting division, and served as a key liaison with the actuary and with the internal and external auditors; and

WHEREAS, Melody Johnson served as the ERS’s Pension Accounting Manager, and prior to that, as a Calculation Specialist from 2000 to 2009, and in those roles oversaw that the estimates and calculations were performed in an accurate and timely manner, provided expertise during the development of MERITS, and aided in general ledger reconciliations; and

WHEREAS, Melody Johnson served as a Management Accountant from 1995 to 2000 in the City of Milwaukee Comptroller’s Office providing general ledger and accounting expertise; and
WHEREAS, Melody Johnson’s retirement from the ERS, effective June 2026, will be a great loss for the ERS and the City of Milwaukee; therefore be it

RESOLVED, that the Annuity and Pension Board and staff of the ERS are grateful for Ms. Johnson’s diligent and long-tenured service at the ERS and express their deep and sincere appreciation for her invaluable, selfless, and loyal service, and wish her the very best in her retirement; and be it

FURTHER RESOLVED, that this Resolution be recorded in the permanent records of this Board and that a suitably engrossed copy be forwarded to Melody Johnson in recognition of her exemplary service.

Mr. Bell said this Resolution is adopted today by the Annuity and Pension Board.

Mr. Allen stated Ms. Johnson was a dream employee in almost every way. He noted he supervised Ms. Johnson longer than anyone else and she was a consummate professional and a real pleasure to work with. Mr. Bell said this Resolution does not show everything she contributed, but it does mention the highlights. He said it struck him that she was here for that long and provided essential service to the members.

It was moved by Mr. Allen and seconded by Mr. Bell to approve Approval of Resolution for Retiring Deputy Director Melody Johnson. The motion was adopted by unanimous consent.

Medical Reports.

All Duty & Ordinary Disability Applications & Re-examinations (May 2026).

Mr. Petropoulos presented certifications (May 2026) of the Fire and Police Medical Panel Physicians and the Medical Council relative to Duty & Ordinary Disability Retirement benefits as follows:

<u>Police – Application – Duty</u>	<u>Recommendation</u>
Lafayette Turman Effective 9/12/2025	Approval
<u>Police – Re-examinations – Duty</u>	<u>Recommendation</u>
Kurt Lacina	Approval
<u>Police – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Matthew Drought	Approval
<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Tony Jones	Approval
John Schmaelzle	Approval
<u>Fire – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Michael Jasso	Approval
Cory Kilsdonk	Approval
<u>General City – Re-examinations – Duty</u>	<u>Recommendation</u>
Thomas Weir	Approval
<u>General City – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Stephen Leisher	Approval

Mr. Petropoulos noted on the Medical Panel report page that Mr. Schmaezle's actual disability date/retirement date is 08/26/2013, instead of 05/01/2026 as shown on the report. He said for the Medical Council's Approvals Report that there is one new application for Lafayette Turman who is recommended for approval for Duty Disability. Mr. Petropoulos noted there are no denials for either the Medical Panel or the Medical Council reports.

It was moved by Mr. Bell and seconded by Mr. Barmore to approve the Duty & Ordinary Disability Applications & Re-examinations for May 2026. The motion was adopted by unanimous consent.

Unfinished Business.

Pending Legal Opinions and Service Requests Report. Ms. Rollings stated the three items for the Legal Opinions and Service Requests Report are all in progress.

Pending Legislation Report. Mr. McClain said only Part 1 has items listed and the first two items are for the appointment of Jerry Allen and the reappointment of Deborah Ford. He thanked Ms. Ford for her willingness to continue to serve on the Board. Mr. McClain said both files for Mr. Allen and Ms. Ford were approved on May 12, 2026. He stated for the third item regarding the "Substitute resolution relation to pension cost recovery associated with reimbursable overtime and extra-duty contracts," it is included to err on the side of over-inclusion on the report. Mr. McClain noted that as the Board knows, the Annuity and Pension Board was given the authority in Chapter 36 to carry out work related to the Wisconsin Retirement System's coverage of new employees to the City of Milwaukee and that is what this item relates to. He said the Common Council has asked various departments to consult about how to cover overtime duty costs associated with special events and the ERS has been involved in that a little bit over the last few months and expects to be involved in consulting on that a little bit more. Mr. McClain said it is a little bit of over-inclusion but it is to keep the Board apprised of the fact that there is work going on related to the Wisconsin Retirement System and he thanked Chief Financial Officer Mr. Gopalan for staying on top of that.

Pending Litigation Report. Ms. Rollings said she did not anticipate the need to go into closed session, but if anyone had questions to necessitate that, a motion could be entertained. She said the only item she had an update on this month is under Part 2., Frank Lockett; Administrative Case No. 1591. Ms. Rollings said there was an appeal hearing held on May 12, 2026 and the hearing examiner has requested post-hearing briefing from both parties to be submitted to the hearing examiner simultaneously. She said those briefs are due June 8, 2026 and the City is working on its brief.

The Board did not convene in closed session as noticed.

Executive Director's Report – Inventory of ERS Projects. As a matter of information, Staff presented a report on the ERS projects and updated the Board on ERS activities, a copy of which is on file with the Board Secretary and by reference incorporated as part of these minutes.

Updated Committee Appointments for 2026. Mr. Bell stated he appointed the following Board members to serve on the committees listed for 2026. He said the A&O Committee is chaired by Mr. Christianson with Mr. DeCleene as Vice Chair. Mr. Bell said Mr. Allen was added and Mr. Heling is also a committee member. Mr. Bell noted the Investment Committee is a Committee of

the Whole and is chaired by Mr. Heling with Ms. Ford as Vice Chair, as well as all the other Board members on that. He stated the Legislative Committee is chaired by Ms. Ford, Mr. Allen was added, and Messrs. Barmore, Bell, Christianson, DeCleene, Heling, and Kovac are on the committee. Mr. Bell said the Litigation Committee will be appointed when necessary.

Informational.

- 1) Conferences.
- 2) Class Action Income 2026 YTD.
- 3) Minutes of the Investment Committee Meeting Held May 7, 2026.

The following is a list of activities since the last Board meeting, copies sent with meeting notice and attached to minutes:

- 4) Report on Bills.
- 5) Securities Lending Revenue and Budget Report.
- 6) Preliminary Performance Report and Asset Allocation.

Mr. Bell asked if there were any due diligence meetings coming up in the Fall and Mr. Sauer noted there would be some additional due diligence meetings scheduled for the Fall and Winter and there is a list for 2026 that was included in the November 2025 Board Packet.

Mr. Bell accepted and placed the Informational items on file.

There being no further business to come before the meeting, it was moved by Mr. Bell and seconded by Mr. Christianson to adjourn the meeting. The motion was adopted by unanimous consent.

Mr. Bell adjourned the meeting at 9:46 a.m.

Patrick J. McClain
Secretary and Executive Director

NOTE: All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employees' Retirement System, 789 N. Water Street, Suite 300.)

II.

CHIEF INVESTMENT OFFICER REPORT

A. Approval of BlackRock Institutional Trust Company, N.A. Contract Amendment.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (II.B. and II.C.), as provided in Section 19.85(1)(e), Wisconsin Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

B. Fixed Income Manager Due Diligence Report.

C. Consider, Discuss, and Potentially Approve Fixed Income Manager Contract.

Milwaukee Employees' Retirement System - June 24, 2026

Fund as of May 31, 2026

*Fund value of \$6.73b.
 *Fund return of 1.7% in May, net of fees, underperformed by approximately 20bp.
 *Primary Relative Perf. Drivers:

Manager Selection
 Public Equity **-31bp**
 Private Equity **25bp**

Public Equity Style Bias **-26bp**
 Primarily Value and Small

*Fund is outperforming in the 10-year time period, while underperforming or in line in all other time periods.

June Update (as of 6/17/26)

*Fund return **0.0% MTD**
 *Fund return **5.3% YTD**
 *Fund value **\$6.73b**

*7 out of 12 active mandates outperforming YTD.

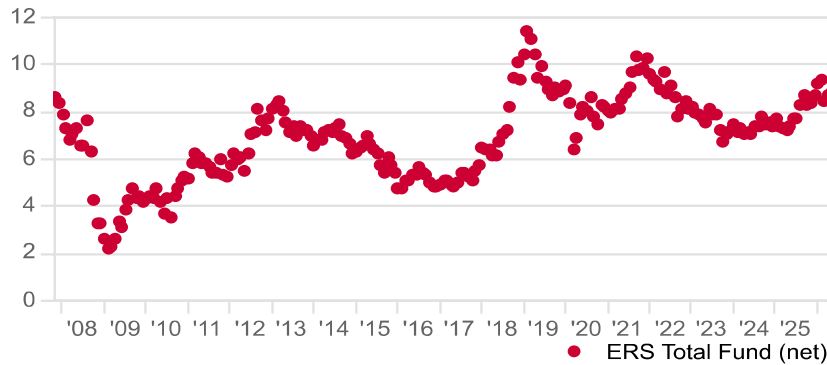
*Public Equity, Fixed Income, and Absolute Return asset classes are exceeding their respective benchmarks YTD, net of fees.

*Investment Change: **\$352.0m**
 *Contributions: **221.6m**
 *Benefits & Expenses: **218.5m**

Monthly Withdrawals:
 To be discussed at meeting

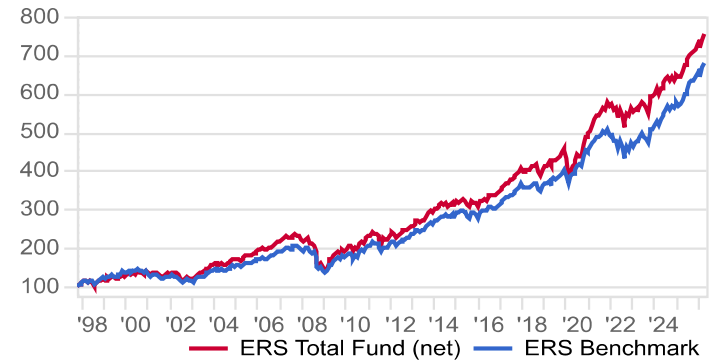
Total Fund - 10-Year Rolling Returns

11/28/1997 to 05/31/2026



Growth of \$100 - Total Fund & ERS Benchmark

11/28/1997 to 05/31/2026



Return Data

Source Data: Monthly Return

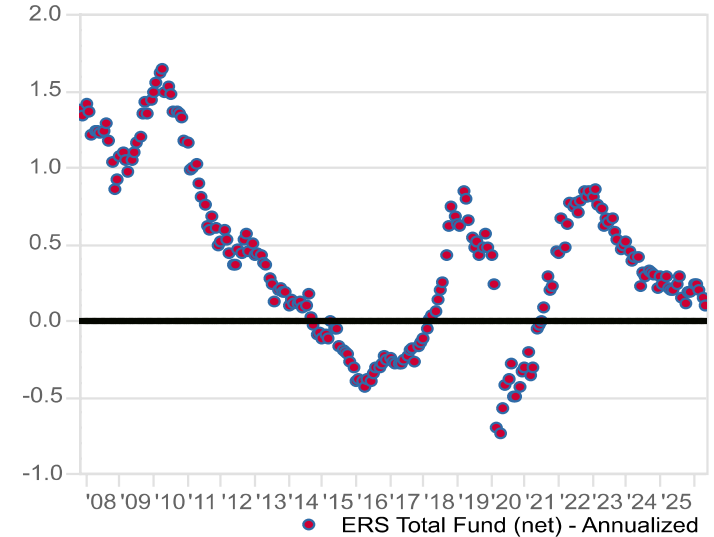
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Total Fund (net)	1.7	5.4	14.9	7.3	8.8	8.1	7.1
ERS Benchmark	1.9	5.6	16.1	7.3	8.7	8.1	7.2

Total Fund - 20-Year Risk & Return Data

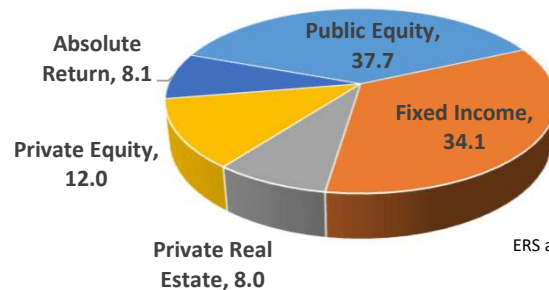
	Return	Std Dev	Tracking Error	Info Ratio (arith)	Sharpe Ratio	Alpha	Beta
Total Fund (net)	7.1	10.2	2.5	-0.1	0.5	-0.6	1.1
ERS Benchmark	7.2	9.2	--	--	0.6	0.0	1.0

Total Fund - 10-Year Rolling Excess Returns

11/28/1997 to 05/31/2026

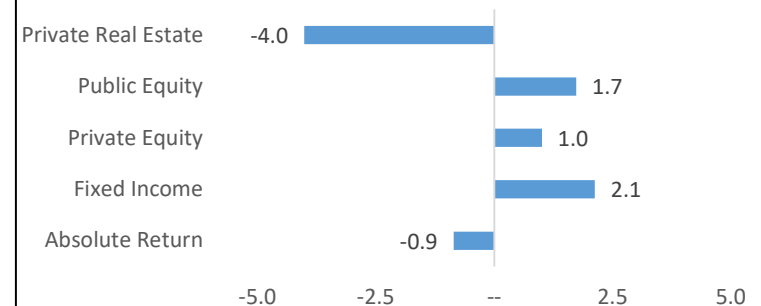


ERS Allocation as of May 31, 2026



ERS allocation weights may not total 100% due to rounding

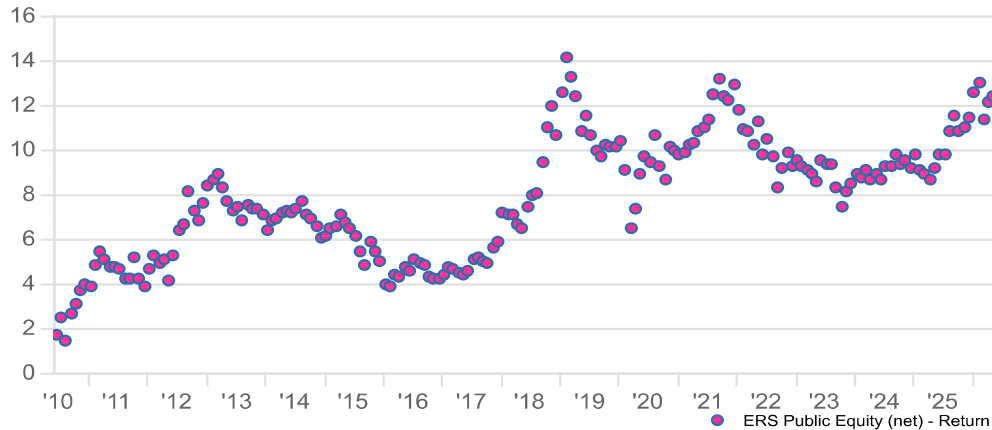
Asset Allocation vs Policy as of May 31, 2026



Milwaukee Employees' Retirement System - June 24, 2026

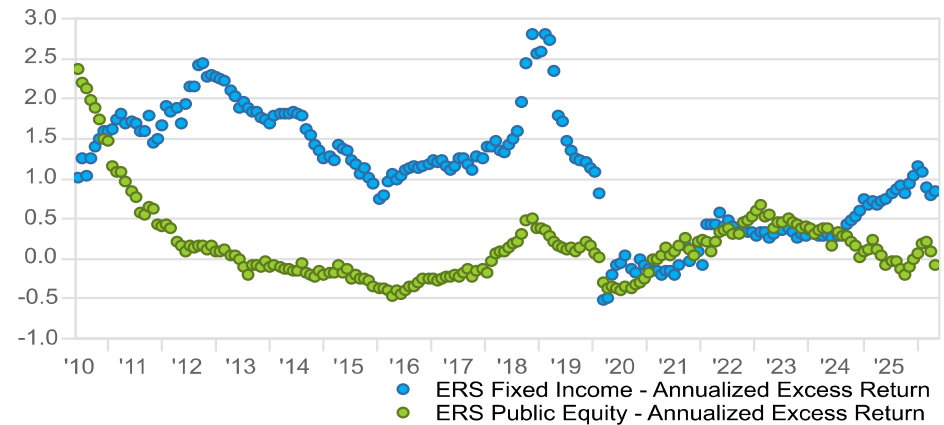
Public Equity - 10-Year Rolling Returns

06/30/2000 to 05/31/2026



Asset Class - 10-Year Rolling Excess Returns

06/30/2000 to 05/31/2026



Return Data

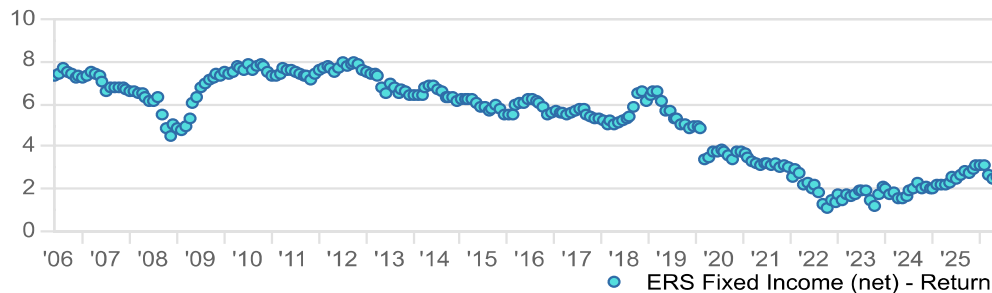
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Public Equity	3.5	11.9	29.3	10.5	12.8	10.9	8.9
Public Equity (net)	3.5	11.8	28.9	10.1	12.4	10.6	8.5
Public Equity Benchmark	5.0	12.5	30.6	11.0	12.5	10.8	8.8
MSCI ACWI IMI NR USD	5.0	12.5	30.6	11.0	12.5	10.0	8.5

Risk Adjusted Returns (6/30/14 - 5/31/26)*

	Return	Std Dev	Sharpe Ratio	Max Drawdown
Public Equity (net)	10.4	14.9	0.6	-25.3
Fixed Income (net)	2.3	6.2	0.0	-13.6
Absolute Return (net)	6.8	8.5	0.6	-27.1

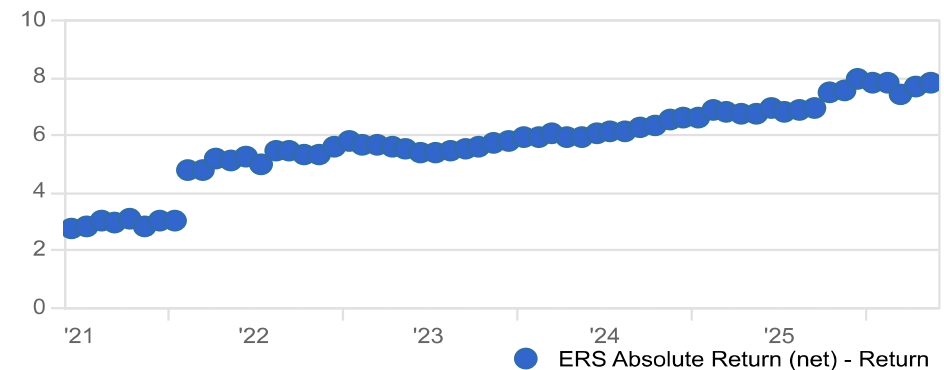
Fixed Income - 10-Year Rolling Returns

06/28/1996 to 05/31/2026



Absolute Return - 7-Year Rolling Returns

06/30/2014 to 05/31/2026



Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Fixed Income	0.3	0.5	5.7	2.3	2.6	2.9	4.4
Fixed Income (net)	0.3	0.5	5.7	2.2	2.5	2.8	4.3
Bbg US Agg Bond TR USD	0.3	0.4	5.1	0.2	1.7	2.2	3.3

Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	Inception*
Absolute Return (net)	1.1	4.7	12.1	12.3	7.0	6.8
90-Day T-Bill + 3%	0.5	2.8	7.0	6.7	5.4	5.0

*Absolute Return inception date is June 30, 2014

**Amended and Restated ~~Tenth~~Eleventh Amendment
to the Investment Management and Custody Agreement
Between
The Employees' Retirement System of the City of Milwaukee
and
BlackRock Institutional Trust Company, N.A.**

This Amended and Restated ~~Tenth~~Eleventh Amendment to the Investment Management and Custody Agreement (the "**Amended and Restated ~~Tenth~~Eleventh Amendment**") is made as of ~~May 16, 2026~~5, by and between The Employees' Retirement System of the City of Milwaukee ("**ERS**") and BlackRock Institutional Trust Company, N.A. (the "**Manager**").

Commented [AC1]: Note to Client: Please leave date blank. BLK will insert the date when it countersigns this Amendment.

WHEREAS, ERS and the Manager are party to an Investment Management and Custody Agreement dated as of May 28, 2002, as amended (the "**Agreement**"); and

WHEREAS, ERS and the Manager desire to amend certain terms and conditions of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter stated, the parties do hereby agree to amend the ~~Tenth~~Eleventh Amendment, as follows:

~~1. Section I. RECITALS—Section F to the Agreement is hereby deleted in its entirety and replaced and superseded with the below:~~

~~F. The Manager is the trustee (the "**Trustee**") of certain trusts pursuant to the Plan of BlackRock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts and the Schedule A thereto (the "**Plan**"), in which the following funds~~

~~a. Standalone Fund Strategy comprised of:~~

- ~~i. Global Alpha Tilts Fund A,~~
- ~~ii. Russell 1000® Value Fund, Government Bond Index Fund C, and~~
- ~~iii. U.S. Debt Index Fund~~

~~b. Passive International Equities Strategy comprised of:~~

- ~~i. EAFE Equity Growth Index Fund~~
- ~~ii. MSCI Equity Index Fund – Canada~~
- ~~iii. MSCI Emerging Markets Free Fund~~

~~are collective investment funds (each a "**Fund**", collectively, the "**Funds**") maintained by Manager, as Trustee, and in which the assets consist solely of assets held (i) in trust for the benefit of various pension and profit sharing plans qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "**Code**") and exempt from tax under Section 501(a) of the Code or (ii) by plans or governmental units as described in Section 818(a)(6) of the Code. The Plan is hereby incorporated by reference as **Exhibit A**.~~

2. ~~Effective May 16, 2025, EXHIBIT B-1 – Investment Guidelines to the Agreement is hereby deleted in its entirety and replaced with **Exhibit B-1** attached to this Amended and Restated Tenth Amendment and made a part of the Agreement. For the avoidance of doubt, the attached Exhibit B-1 shall replace and supersede any previous Exhibit B-1.~~
- 3.1. Effective ~~July 1, 2025~~^{May 16, 2025}, EXHIBIT D – Manager Compensation to the Agreement is hereby deleted in its entirety and replaced with **Exhibit D** attached to this Amended and Restated ~~Tenth~~^{Eleventh} Amendment and made a part of the Agreement. For the avoidance of doubt, the attached Exhibit D shall replace and supersede any previous Exhibit D.
- 4.2. If any provision of this Amended and Restated ~~Tenth~~^{Eleventh} Amendment is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision, and the Amended and Restated ~~Tenth~~^{Eleventh} Amendment shall be construed and enforced as if such provision had not been included.
5. Except as expressly set forth above, all other terms and provisions of the Agreement, as amended from time to time, shall remain in full force and effect.
6. This Amended and Restated ~~Tenth~~^{Eleventh} Amendment may be executed in counterparts, each of which shall constitute a separate original and all of which together shall constitute one and the same instrument. Facsimile or pdf copies shall be acceptable and enforceable in lieu of originals.
7. Effective Date. This Amended and Restated ~~Tenth~~^{Eleventh} Amendment is effective on May 16, 2025. The parties' rights and obligations pursuant to the Agreement, as amended, shall remain in effect at all times.

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IN WITNESS WHEREOF, ERS and the Manager have hereunto set their hands this ____ day of _____, 2026.

Commented [AC2]: Note to Client: Please leave this date blank. BLK will insert the date when it countersigns this Amendment.

IN THE PRESENCE OF:

EMPLOYES' RETIREMENT SYSTEM
OF THE CITY OF MILWAUKEE

MATTHEW BELL, President, ERS
Date: _____

PATRICK J. MCCLAIN, Secretary and Executive
Director, ERS
Date: _____

COUNTERSIGNED:

BILL CHRISTIANSON,
Comptroller, City of Milwaukee

Date: _____

IN THE PRESENCE OF:

BlackRock Institutional Trust Company, N.A.

Date: _____

Examined and approved as to form and execution
this ____ day of _____, 2026.

Lauri Rollings, Assistant City Attorney

EXHIBIT B-1
Investment Guidelines

A. To expand on Section II Appointment, Section B, the ERS Account shall be invested in the following strategies (each a “Strategy”) made up of the following Funds, in accordance with the below:

a. The Standalone Fund Strategy

<u>Fund(s)</u>	<u>Is the Fund permitted to engage in securities lending?</u>
<u>Global Alpha Tilts Fund A</u>	Yes
<u>Russell 1000® Value Fund</u>	Yes
<u>Government Bond Index Fund C</u>	Yes
<u>U.S. Debt Index Fund</u>	Yes

If any of the Funds noted above engages in securities lending, such Fund will pay to the Manager a separate securities lending fee as described in Exhibit D:

b. Passive International Equities Strategy

Account Name	City of Milwaukee ERS ACWI ex-US Growth Strategy
Allocation Start Date	Upon completion of ERS’ transition from its legacy manager on or about June 11, 2025
Rebalancing Monitoring Frequency	Monthly
Rebalancing Type	Back to within Lower and Upper Bounds identified below
Performance Benchmark	MSCI ACWI ex-US Growth Net Dividend Return Index SM
Allocation Target	Floating

Collective Fund Name	Fund Ticker	Target Allocations (%)	Lower Constraint Amount (%)	Upper Constraint Amount (%)
EAFE Equity Growth Index Fund	EAFEGRW	Held in the MSCI ACWI ex-US Growth Net Dividend Return Index	0.25%	0.25%
MSCI Equity Index Fund – Canada	MSCN			
MSCI Emerging Markets Free Fund	EMSFA			

		SM market capitalization weights (100%)		
--	--	---	--	--

~~B. With respect to the Funds listed below, each such Fund may, directly or indirectly, invest in open-end managed investment companies registered under the Investment Company Act of 1940 to which the Manager or an affiliate provides investment management or other services (“Affiliated Funds”). Each Such Fund will only invest in Affiliated Funds when the Manager believes that an investment in Affiliated Funds would be consistent with or is necessary to fully implement the investment strategy of such Fund. The purchase, sale and holding of Affiliated Funds will be effected in accordance with Department of Labor Prohibited Transaction Exemptions 2012-09 or 77-4 (or other available exemption). In addition, if the Manager invests a portion of any such Fund, directly or indirectly, in an Affiliated Fund, then an offsetting credit of the Affiliated Fund’s management fees (if any) shall be reflected in such Collective Fund’s unit value. As a result, the Plan shall not bear any such management fees paid to an Affiliated Fund.~~

Each Affiliated Fund in which the below listed Funds may invest, as of the date of this Exhibit B-1 is listed below:

<u>Fund(s)</u>	<u>Affiliated Fund(s)</u>
Global Alpha Tilts Fund A	<ul style="list-style-type: none"> • iShares MSCI India ETF
Government Bond Index Fund C	<ul style="list-style-type: none"> • iShares 1-3 Year Treasury Bond ETF • iShares 10-20 Year Treasury Bond ETF • iShares 20+ Year Treasury Bond ETF • iShares 3-7 Year Treasury Bond ETF • iShares 7-10 Year Treasury Bond ETF • iShares Short Treasury Bond ETF

~~Information about the Affiliated Funds is contained in the prospectus, statement of additional information and other disclosure documents (“AF Disclosure Documents”), which can be found at the following link: www.ishares.com/us/library/financial-legal-tax. The AF Disclosure Documents for each Affiliated Fund contain additional information about fees and compensation paid by the Affiliated Fund. An Affiliated Fund may engage in securities lending and the Manager and/or its affiliates may earn additional compensation as a result of the securities lending as described in the AF Disclosure Documents.~~

By signing this Exhibit B-1, ERS (i) acknowledges receipt of Managing ERISA Assets and the AF Disclosure Documents for each of the Affiliated Funds in which the ERS Account may invest; (ii) consents to the electronic delivery of the AF Disclosure Documents for each such Affiliated Fund and acknowledges that it has had the opportunity to review the current AF Disclosure Documents for each such Affiliated Fund, including the management fee charged by each such Affiliated Fund; (iii) acknowledges that an Affiliated Fund may invest a portion of its assets in other funds from which the Manager or its affiliates may receive fees for providing management, administrative and/or other services; (iv) represents that ERS is independent and unrelated to the Manager and its affiliates; and (v) approves the management and other fees, including securities lending fees, paid by the Affiliated Funds in relation to the fees payable pursuant to Exhibit D.

~~C. The investment guidelines for the above referenced Funds can be found in the Plan of BlackRock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts and the Schedule A thereto, a current copy of which may be accessed via the following website link: www.blackrockdocuments.com. ERS has received an email containing a login ID and password to access the above website. The Manager shall notify ERS of material changes to the investment guidelines for any Fund in which the ERS Account is invested.~~

~~D. Short Term Investment Funds~~

~~The ERS Account or the above referenced above referenced collective investment funds may invest in Short-Term Investment Fund, a short term investment fund established under the Plan (a “STIF”), used as a cash “sweep” vehicle to manage uninvested cash. If a Fund engages in securities lending, it may be invested in one or more STIFs to reinvest and manage cash collateral associated with securities loans. Additional information relating to the investment objectives, guidelines and risk management for the STIFs can be found in “Short-Term Investment Funds Overview and Guidelines” (the “STIF Guidelines”). A copy of the STIF Guidelines, which may be updated from time to time, may be accessed via www.blackrockdocuments.com.~~

~~E. Cross-Trading Authorization~~

~~ERS acknowledges that it has received and reviewed the description of the Manager’s cross trading program in *Managing ERISA Assets*. ERS hereby authorizes participation in the Manager’s cross trading program in accordance with PTE 2002-12 and the performance by the Manager of any act necessary or proper to enable it to purchase or sell securities to another account or fund managed by the Manager or its affiliates at prevailing market levels in accordance with applicable law, including PTE 2002-12, and the Manager’s cross trading policies and procedures.~~

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EXHIBIT D
Manager Compensation

A. INVESTMENT MANAGEMENT FEES

To expand on Section XI – Compensation of Manager, for investment management services rendered, ERS shall pay the Manager investment management fees as follows:

I. Standalone Fund Strategy

1. Global Alpha Tilts Fund A

1. Base Fee (annual):	5 basis points The base fees paid each quarter based on the average market value of the portfolio during the quarter (defined as the average of the beginning and ending market values during the most recent quarter), multiplied by the base fee amount divided by 4, and prorated for periods of less than a full calendar quarter.
2. Market Return:	MSCI ACWI Index, as reported by ERS' Custodian using index provider data, to two decimal places (e.g. x.xx%)
3. Required Excess Return:	135 basis points per year, above the market return, net of Base Fee.
4. Normal Fee:	42 basis points on the first \$100 million 36 basis points on the balance
5. Portfolio Return:	Time weighted total return before investment management fees, as calculated by ERS' Custodian, to two decimal places (e.g. x.xx%).
6. Performance Fee:	$((\text{Normal Fee} - \text{Base Fee}) \div \text{Required Excess Return}) \times (\text{Portfolio Return} - \text{Market Return} - \text{Base Fee})$ (With the exception of the first four (4) quarters after the effective dates – see “Phase-in Provisions”). Performance Fees are calculated using rolling 3-year annualized returns and billed quarterly in arrears by calculating the applicable Average Market Value (see below) and applying twenty-five percent (25%) of the Performance Fee schedule above. The Performance Fee is paid only when the Portfolio Return has exceeded the market return plus the Base Fee.
7. Average Market Value (applies to Base Fee and Performance Fee):	An average of the market values at the beginning of the measurement period and at the end of each quarter included in the measurement period. The market values will be provided by ERS' Custodian and will include any accruals calculated, and shall be based on their assessment of ERS' assets under management with the Manager with respect to the Global Alpha Tilts Fund A.

8. Total Fee:	(Performance Fee x Average Market Value) + Base Fee This fee is paid quarterly.
9. Minimum Fee:	The minimum fee for the Global Alpha Tilts Fund A is the Base Fee.
10. Maximum Fee:	The maximum fee equals the Total Fee earned when the Portfolio Return minus the Market Return minus the Base Fee is greater than or equal to 3.25%.
11. Phase-in Provision:	At the end of the first three (3) quarters after the original effective date, the Manager will receive a fee equal to the Base Fee. The original effective date is on or about February 1, 2016, the date of the initial investment in the Global Alpha Tilts Fund A. At the end of the fourth (4 th) quarter after the effective date, performance for the four (4) quarters will be used to compute the Performance Fee due for the entire four (4) quarter period. The Performance Fee and the Maximum Fee will be computed using the Average Market Value for the four (4) quarters. For the fifth (5 th) through the twelfth (12 th) quarters the Performance Fee calculation shall be based upon cumulative annualized returns from inception date. Thereafter, the calculation will be made on an annualized rolling twelve (12) quarter basis. For the fifth (5 th) quarter and beyond, the Performance Fee will be applied quarterly against the Average Market Value for the measurement period. This Performance Fee, if applicable, will be paid in addition to the Base Fee for the quarter.
12. Calculation (applies to Base Fee and Performance Fee):	The fee shall be calculated by the Manager using market values provided by ERS' Custodian, the portfolio returns calculated by ERS' Custodian and the market return reported by ERS' Custodian using index provider data. The Manager's fee calculation shall be submitted to ERS for verification. Discrepancies in the elements of the calculation will be reconciled between the Manager and ERS, as required. ERS' Custodian rate of return information will be the authoritative resource if any discrepancies arise.
13. Termination:	In the event of a termination of the investment management agreement, the Performance Fee shall be calculated from the most current Performance Fee through the trade date of the final sell transaction and shall be based on: $((\text{Normal Fee} - \text{Base Fee}) \div \text{Required Excess Return}) \times (\text{Portfolio Return} - \text{Market Return} - \text{Base Fee})$.
14. Payment of Fees:	Payment of the Base Fee shall be made quarterly by ERS within thirty (30) days of the statement date, subject to the prior review and approval of ERS. Payment of the Performance Fee shall be made quarterly by ERS within thirty (30) days of the statement date, subject to the prior review and approval of ERS.

2. Russell 1000® Value Fund

Annual investment management fee rate:

Balance 1 basis points

3. Government Bond Index Fund C

Annual investment management fee rate:

First \$100,000,000 2.25 basis points

Next \$400,000,000 1.50 basis points

Balance - 0.75 basis point

4. U.S. Debt Index Fund

Annual investment management fee rate:

Balance - 1.75 basis point

II. Passive International Equities Strategy

Billable Valuation		Annual Management Fee Rate
First	USD \$100 Million	87.5 basis points
Balance	-	65.5 basis points

~~The Passive International Equities Strategy shall maintain a minimum of USD \$175 Million in total Billable Valuation (the “Minimum Holding”); provided, however, the Manager acknowledges that ERS shall not be in breach of the foregoing Minimum Holding requirement as a result of changes in the price or value of assets held in the Passive International Equities Strategy brought about solely through movements in the market. Subject to the foregoing, in the event that the total Billable Valuation falls below the Minimum Holding, the Manager shall notify ERS to discuss a plan of action.~~

B. FEE CALCULATION METHODOLOGY

The fee calculation methodology for the Passive International Equities Strategy and U.S. Debt Index Fund, Government Bond Index Fund C and Russell 1000® Value Fund in the Standalone Fund Strategy are as follows:

Investment management fees are calculated quarterly in arrears by averaging an account’s three month-end market values invested in the applicable collective investment fund. The market values used to calculate the management fees will be provided by ERS’ Custodian and shall be based on their assessment of ERS’ assets under management with the Manager with respect to each applicable collective investment fund. Such calculation shall apply the annual fee rate listed above and shall be based on the actual number of days of such calendar quarter (e.g. 91/365, or 366 for leap years). When assets are held for a partial quarter(s) as a result of an initial contribution to or a final withdrawal from a collective investment fund, the management fee will be prorated for the period, based on the actual number of days in the invoice period divided by the actual number of calendar days (e.g. actual days in invoice period/365 or 366 for leap years). Other than the initial contribution and/or final withdrawal, there will be no other proration for asset flows

into or out of a collective investment fund for the purposes of calculating the management fee.

Payment of investment management fees is due to the Manager within thirty (30) days after the invoice date. Investment management fees will be calculated and billed in U.S. Dollars.

C. SECURITIES LENDING FEES

The lending Fund and the Manager will each receive fifty percent (50%) of the net income earned from securities lending transactions. If a loan is collateralized with cash, net income is determined by calculating the return received by a lending Fund's investment of cash collateral posted for securities loans in the applicable STIF used to manage cash collateral, net of borrower rebate fees. If a loan is collateralized with assets other than cash, net income equals the loan fee negotiated with the borrower. The net income from securities lending divided between the lending Fund and the Manager is also net of cash collateral management fees paid to the Manager as described below and the other expenses of the STIFs used to manage cash collateral. The Manager bears all operational costs directly related to securities lending transactions from its share of net income. The ERS' portion of lending revenue is retained by the lending Fund and invested in accordance with the relevant Fund guidelines.

STIFs used to manage cash collateral associated with securities loans are subject to a management fee, payable to the Manager, accrued daily on the net assets of such STIF. The primary STIF used to manage cash collateral for the lending Funds is subject to an annual management fee rate of 0.056%.

D. ADMINISTRATIVE EXPENSES.

Each of the Funds is subject to administrative expenses, including, but not limited to accounting, custody and audit fees. The administrative expenses are accrued daily against the Fund, which results in an adjustment in the Fund's unit value to reflect such expenses accrued.

One such administrative expense accrued daily against each Fund is a fee associated with unitholder account servicing, including the recording of client transactions and acting as the unitholder registry ("**Transfer Agent Service Fee**"). Each und is subject to a Transfer Agent Service Fee of \$~~31~~300 per year, payable to the Manager or an affiliate of the Manager. If a Fund invests in other Funds, the Transfer Agent Service Fee will be charged to each Fund.

E. PRV CALCULATION FEE. With respect to any purchase or redemption of units of an "index" or "model-driven" Fund, as such terms are defined under applicable law, an investor in such a Fund may experience transaction costs associated with such purchase or redemption. Such costs include all or a portion, as applicable, of a flat fee of \$~~153~~0 payable to the Manager for calculating a "purchase net asset value" or a "redemption net asset value", if the transaction costs in the aggregate for the Fund exceed \$1,000. If there are multiple transacting parties contributing to or withdrawing from the Fund on a given day, any calculation fee will be applied to the transacting parties on a pro rata basis.

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**Amended and Restated Eleventh Amendment
to the Investment Management and Custody Agreement
Between
The Employees' Retirement System of the City of Milwaukee
and
BlackRock Institutional Trust Company, N.A.**

This Amended and Restated Eleventh Amendment to the Investment Management and Custody Agreement (the “**Amended and Restated Eleventh Amendment**”) is made as of _____, 2026, by and between The Employees' Retirement System of the City of Milwaukee (“**ERS**”) and BlackRock Institutional Trust Company, N.A. (the “**Manager**”).

WHEREAS, ERS and the Manager are party to an Investment Management and Custody Agreement dated as of May 28, 2002, as amended (the “**Agreement**”); and

WHEREAS, ERS and the Manager desire to amend certain terms and conditions of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter stated, the parties do hereby agree to amend the Eleventh Amendment, as follows:

1. Effective July 1., 2026, EXHIBIT D – Manager Compensation to the Agreement is hereby deleted in its entirety and replaced with **Exhibit D** attached to this Amended and Restated Eleventh Amendment and made a part of the Agreement. For the avoidance of doubt, the attached Exhibit D shall replace and supersede any previous Exhibit D.
2. If any provision of this Amended and Restated Eleventh Amendment is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision, and the Amended and Restated Eleventh Amendment shall be construed and enforced as if such provision had not been included.
5. Except as expressly set forth above, all other terms and provisions of the Agreement, as amended from time to time, shall remain in full force and effect.
6. This Amended and Restated Eleventh Amendment may be executed in counterparts, each of which shall constitute a separate original and all of which together shall constitute one and the same instrument. Facsimile or pdf copies shall be acceptable and enforceable in lieu of originals.
7. Effective Date. This Amended and Restated Eleventh Amendment is effective on May 16, 2025. The parties’ rights and obligations pursuant to the Agreement, as amended, shall remain in effect at all times.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF, ERS and the Manager have hereunto set their hands this __ day of _____, 2026.

IN THE PRESENCE OF:

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF MILWAUKEE

MATTHEW BELL, President, ERS

Date: _____

PATRICK J. MCCLAIN, Secretary and Executive
Director, ERS

Date: _____

COUNTERSIGNED:

BILL CHRISTIANSON,
Comptroller, City of Milwaukee

Date: _____

IN THE PRESENCE OF:

BlackRock Institutional Trust Company, N.A.

Date: _____

Examined and approved as to form and execution
this _____ day of _____, 2026.

Lauri Rollings, Assistant City Attorney

EXHIBIT D
Manager Compensation

A. INVESTMENT MANAGEMENT FEES

To expand on Section XI – Compensation of Manager, for investment management services rendered, ERS shall pay the Manager investment management fees as follows:

I. Standalone Fund Strategy

1. Global Alpha Tilts Fund A

1. Base Fee (annual):	5 basis points The base fees paid each quarter based on the average market value of the portfolio during the quarter (defined as the average of the beginning and ending market values during the most recent quarter), multiplied by the base fee amount divided by 4, and prorated for periods of less than a full calendar quarter.
2. Market Return:	MSCI ACWI Index, as reported by ERS' Custodian using index provider data, to two decimal places (e.g. x.xx%)
3. Required Excess Return:	135 basis points per year, above the market return, net of Base Fee.
4. Normal Fee:	42 basis points on the first \$100 million 36 basis points on the balance
5. Portfolio Return:	Time weighted total return before investment management fees, as calculated by ERS' Custodian, to two decimal places (e.g. x.xx%).
6. Performance Fee:	$((\text{Normal Fee} - \text{Base Fee}) \div \text{Required Excess Return}) \times (\text{Portfolio Return} - \text{Market Return} - \text{Base Fee})$ (With the exception of the first four (4) quarters after the effective dates – see “Phase-in Provisions”). Performance Fees are calculated using rolling 3-year annualized returns and billed quarterly in arrears by calculating the applicable Average Market Value (see below) and applying twenty-five percent (25%) of the Performance Fee schedule above. The Performance Fee is paid only when the Portfolio Return has exceeded the market return plus the Base Fee.
7. Average Market Value (applies to Base Fee and Performance Fee):	An average of the market values at the beginning of the measurement period and at the end of each quarter included in the measurement period. The market values will be provided by ERS' Custodian and will include any accruals calculated, and shall be based on their

	assessment of ERS' assets under management with the Manager with respect to the Global Alpha Tilts Fund A.
8. Total Fee:	(Performance Fee x Average Market Value) + Base Fee This fee is paid quarterly.
9. Minimum Fee:	The minimum fee for the Global Alpha Tilts Fund A is the Base Fee.
10. Maximum Fee:	The maximum fee equals the Total Fee earned when the Portfolio Return minus the Market Return minus the Base Fee is greater than or equal to 3.25%.
11. Phase-in Provision:	At the end of the first three (3) quarters after the original effective date, the Manager will receive a fee equal to the Base Fee. The original effective date is on or about February 1, 2016, the date of the initial investment in the Global Alpha Tilts Fund A. At the end of the fourth (4 th) quarter after the effective date, performance for the four (4) quarters will be used to compute the Performance Fee due for the entire four (4) quarter period. The Performance Fee and the Maximum Fee will be computed using the Average Market Value for the four (4) quarters. For the fifth (5 th) through the twelfth (12 th) quarters the Performance Fee calculation shall be based upon cumulative annualized returns from inception date. Thereafter, the calculation will be made on an annualized rolling twelve (12) quarter basis. For the fifth (5 th) quarter and beyond, the Performance Fee will be applied quarterly against the Average Market Value for the measurement period. This Performance Fee, if applicable, will be paid in addition to the Base Fee for the quarter.
12. Calculation (applies to Base Fee and Performance Fee):	The fee shall be calculated by the Manager using market values provided by ERS' Custodian, the portfolio returns calculated by ERS' Custodian and the market return reported by ERS' Custodian using index provider data. The Manager's fee calculation shall be submitted to ERS for verification. Discrepancies in the elements of the calculation will be reconciled between the Manager and ERS, as required. ERS' Custodian rate of return information will be the authoritative resource if any discrepancies arise.
13. Termination:	In the event of a termination of the investment management agreement, the Performance Fee shall be calculated from the most current Performance Fee through the trade date of the final sell transaction and shall be based on: ((Normal Fee – Base Fee) ÷ Required Excess Return) x (Portfolio Return – Market Return – Base Fee).
14. Payment of Fees:	Payment of the Base Fee shall be made quarterly by ERS within thirty (30) days of the statement date, subject to the prior review and approval of ERS. Payment of the Performance Fee shall be made quarterly by ERS within thirty (30) days of the statement date,

	subject to the prior review and approval of ERS.
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2. Russell 1000® Value Fund

Annual investment management fee rate:

Balance 1 basis points

3. Government Bond Index Fund C

Annual investment management fee rate:

First \$100,000,000 2.25 basis points

Next \$400,000,000 1.50 basis points

Balance - 0.75 basis point

4. U.S. Debt Index Fund

Annual investment management fee rate:

Balance - 1.75 basis point

II. Passive International Equities Strategy

Billable Valuation		Annual Management Fee Rate
First	USD \$100 Million	7.5 basis points
Balance	-	5.5 basis points

B. FEE CALCULATION METHODOLOGY

The fee calculation methodology for the Passive International Equities Strategy and U.S. Debt Index Fund, Government Bond Index Fund C and Russell 1000® Value Fund in the Standalone Fund Strategy are as follows:

Investment management fees are calculated quarterly in arrears by averaging an account's three month-end market values invested in the applicable collective investment fund. The market values used to calculate the management fees will be provided by ERS' Custodian and shall be based on their assessment of ERS' assets under management with the Manager with respect to each applicable collective investment fund. Such calculation shall apply the annual fee rate listed above and shall be based on the actual number of days of such calendar quarter (e.g. 91/365, or 366 for leap years). When assets are held for a partial quarter(s) as a result of an initial contribution to or a final withdrawal from a collective investment fund, the management fee will be prorated for the period, based on the actual number of days in the invoice period divided by the actual number of calendar days (e.g. actual days in invoice period/365 or 366 for leap years). Other than the initial contribution and/or final withdrawal, there will be no other proration for asset flows into or out of a collective investment fund for the purposes of calculating the management fee.

Payment of investment management fees is due to the Manager within thirty (30) days after the invoice date.

Investment management fees will be calculated and billed in U.S. Dollars.

C. SECURITIES LENDING FEES

The lending Fund and the Manager will each receive fifty percent (50%) of the net income earned from securities lending transactions. If a loan is collateralized with cash, net income is determined by calculating the return received by a lending Fund's investment of cash collateral posted for securities loans in the applicable STIF used to manage cash collateral, net of borrower rebate fees. If a loan is collateralized with assets other than cash, net income equals the loan fee negotiated with the borrower. The net income from securities lending divided between the lending Fund and the Manager is also net of cash collateral management fees paid to the Manager as described below and the other expenses of the STIFs used to manage cash collateral. The Manager bears all operational costs directly related to securities lending transactions from its share of net income. The ERS' portion of lending revenue is retained by the lending Fund and invested in accordance with the relevant Fund guidelines.

STIFs used to manage cash collateral associated with securities loans are subject to a management fee, payable to the Manager, accrued daily on the net assets of such STIF. The primary STIF used to manage cash collateral for the lending Funds is subject to an annual management fee rate of 0.056%.

D. ADMINISTRATIVE EXPENSES.

Each of the Funds is subject to administrative expenses, including, but not limited to accounting, custody and audit fees. The administrative expenses are accrued daily against the Fund, which results in an adjustment in the Fund's unit value to reflect such expenses accrued.

One such administrative expense accrued daily against each Fund is a fee associated with unitholder account servicing, including the recording of client transactions and acting as the unitholder registry ("**Transfer Agent Service Fee**"). Each und is subject to a Transfer Agent Service Fee of \$1,300 per year, payable to the Manager or an affiliate of the Manager. If a Fund invests in other Funds, the Transfer Agent Service Fee will be charged to each Fund.

E. PRV CALCULATION FEE. With respect to any purchase or redemption of units of an "index" or "model-driven" Fund, as such terms are defined under applicable law, an investor in such a Fund may experience transaction costs associated with such purchase or redemption. Such costs include all or a portion, as applicable, of a flat fee of \$130 payable to the Manager for calculating a "purchase net asset value" or a "redemption net asset value", if the transaction costs in the aggregate for the Fund exceed \$1,000. If there are multiple transacting parties contributing to or withdrawing from the Fund on a given day, any calculation fee will be applied to the transacting parties on a pro rata basis.

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III.

INVESTMENT COMMITTEE REPORT

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (III.A), as provided in Section 19.85(1)(e), Wisconsin Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

- A. Consider, Discuss, and Potentially Approve Request from Apogem Capital regarding consent to Amend Apogem Private Equity Fund XI LPA.
- B. Approval of Statement of Investment Policy Update.

Memorandum

To: CMERS Investment Committee
From: David M. Silber, CFA, CAIA
Date: May 29, 2026
Re: Statement of Investment Policy Update

The purpose of this memo is to summarize the approval item on the agenda related to the Fund's Statement of Investment Policy (Policy) Update. A red line version and a clean copy of the changes are included in the Investment Committee package for your reference.

The proposed updates can be summarized into three categories as follows:

1. The Policy needs to be updated to reflect the changes made to the Fund's Public Equity structure that was recently approved by the Board. This impacts page 9 of the Policy. While the Fund's 36% target to Public Equity is not impacted, the Fund's target allocations to Passive Large Cap, Active Large Cap, and Active Mid/Small Cap are impacted within the Domestic Equity category. The target weights to International Equity and Global Equity are impacted as well.
2. Also on page 9 of the Policy, Staff requests that the Investment Committee (Committee) extend the period of time before the maximum Fixed Income weight reverts back to 35%. For reference, the current Fixed Income target is 32% and the Committee approved an interim change to the Policy that allows the Fixed Income maximum to be 37% until June 30, 2026. This interim change was made at the January 2026 Board meeting when the Fund's Public Diversified Real Assets manager was terminated.

At the time, Staff anticipated that the cash proceeds received from the manager termination would become the primary source for paying benefit payments in subsequent months, and that the Fixed Income allocation would naturally fall below the 35% maximum by June 30, 2026 as a result. However, circumstances have changed since then, with the Fund terminating its U.S. large cap growth manager, approving a new Public Equity structure, and perhaps most impactful, generating a 10%+ year-to-date net of fee return from its Public Equity allocation. Furthermore, Staff urges the Committee to remain disciplined in terms of how it funds its allocations to alternative asset classes, which will likely result in the Fund remaining underweight to its Absolute Return and Private Real Estate allocations for the foreseeable future. With all of the information that Staff has at the moment, Staff recommends that the Fixed Income maximum of 37% remain in effect until March 31, 2027. Absent any changes by the Committee, Staff will be forced to begin raising cash from its Fixed Income managers to make benefit payments as soon as this month, which will push the Fund's overweight to Equity (Public Equity and Private Equity allocations combined) further above target and result in an increase in the Fund's overall risk profile.

3. A correction needs to be made to one of the bullet points on page 4 of the Policy, within 1.J of the Staff Duties of Fiduciaries section. There was a reference in parentheses to "the next" bullet point, when the reference was supposed to be to "the first" bullet point.

Thank you for your attention to these suggested updates to the Policy. If you have any questions, please let me know.

STATEMENT OF INVESTMENT POLICY
Updated ~~February~~June 2026

**THE EMPLOYEES' RETIREMENT
SYSTEM OF THE CITY OF MILWAUKEE**
789 N. Water Street, 3rd Floor
Milwaukee, WI 53202
(414) 286-3557

Individual manager guidelines are updated upon Annuity and Pension Board Approval

To fulfill such responsibilities, the Trustees are authorized and in the case of Investment Managers, required to retain professional experts including but not limited to:

1. **Staff:** The Investment Staff, as designated by the Board is the agent of the Board. The Board does not delegate investment management responsibility through the use of its Staff. Staff duties include:
 - A. Monitoring Investment Managers for adherence to contract terms, policies, and guidelines.
 - B. Evaluating and managing the relationships with the Investment Consultant to ensure they are providing all necessary assistance to Staff and the Board as agreed to in service contracts, in accordance with Board Rules and Regulations section II(c)(6)(m).
 - C. Monitoring the Investment Consultant's manager search process, and conducting due diligence on any Investment Manager selected for hire by the Investment Committee that was considered and recommended to ERS by its Investment Consultant.
 - D. Monitoring the Fund's cash amounts. This includes ensuring the Fund has cash available to pay Fund benefits, expenses, and capital call commitments by identifying Investment Managers to withdraw funds from. This also includes determining whether to invest contributions into cash, deposit contributions with Investment Managers, or some combination of both. Staff retains discretion in the planning and implementation of this task, which includes identifying the amount to be deposited or withdrawn into or from a respective Investment Manager. Staff works within the parameters of the asset allocation ranges and structures incorporated within this Statement of Investment Policy, strives to take actions that are consistent with the long-term risk and return objectives approved in the most recent Asset-Liability Study, and considers factors including, but not limited to, liquidity management considerations that arise during stock market downturns that often result in elevated withdrawals from Fixed Income and/or index funds. Staff will include a report on cash activity at regularly scheduled Board meetings.
 - E. Restructuring the portfolio following manager terminations, changes to the Fund's strategic asset allocation targets, and changes to an asset class's structure.
 - F. Organizing and/or participating in any special research required to manage the Fund more effectively and in response to any questions raised by the Board.
 - G. Supporting the Board in the development and approval of the Investment Policy Statement, implementing the Policy Statement and reporting at least monthly on investment activity and matters of significance.
 - H. Monitor the Investment Managers reporting systems to ensure they are sufficient to provide Staff with the information necessary to permit the Staff to provide the Board with timely, accurate and useful information.

- I. Performing on-site (or video conference, when conditions do not allow for travel) due diligence meetings with ERS Investment Managers every two years or as required by the Board in accordance with Board Rules and Regulations section – Duties of the Chief Investment Officer.

- J. With the advice of the City Attorney's Office, and outside legal counsel when the City Attorney's Office deems necessary, approve and execute ministerial Private Real Estate and Private Equity contract amendments, pursuant to MCO 36-09-1-d-5, under the following conditions:
 - Use of delegated authority under this paragraph must be consistent with any Real Estate and Private Equity investment plan or strategy approved or adopted by the Board. For the avoidance of doubt, the prudent manner may not always be the quickest manner. Specific to Private Real Estate only, the use of delegated authority must be consistent with the philosophy that CMERS' ultimate goal is to transition its Real Estate portfolio to 4-5 commingled, open-end fund managers in a prudent manner;
 - Delegated authority may not be used to execute any contract amendments that may be reviewed and executed within the confines of the regular Board schedule;
 - Delegated authority cannot be used to execute legal documents for a new Real Estate or new Private Equity vehicle;
 - Delegated authority cannot be used to agree to terms that are more disadvantageous than what's already included in the existing agreement (with the exception of term extensions mentioned in the ~~next~~ first bullet point);
 - Staff may not use delegated authority against the advice of CMERS' Investment Consultant or the City Attorney's Office;
 - Staff or the City Attorney's Office will report to the Board, at the next Board meeting when possible, on actions taken under this plan (including fees);
 - CMERS Executive Director may sign amendments executed under this delegation of authority on behalf of the Board;
 - Board may revoke the delegated authority at any time.

2. **Investment Consultant:** The Investment Consultant is an advisor to the Board retained to provide investment management advice and a fiduciary for the purposes of the duties assumed under the Consulting Services Agreement. The Investment Consultant will provide investment management advice concerning the investment management of fund assets. Specific responsibilities of the Investment Consultant include:
 - A. Assisting in the development and periodic review of investment policy.

 - B. Conducting Investment Manager searches as authorized by the Board.

 - C. Providing "due diligence" reports or research on each of the Fund's Investment Managers.

 - D. Monitoring the performance of the Investment Managers to provide the Board with the ability to determine progress toward the investment objectives.

TARGET ALLOCATIONS

The Board has determined that the following asset allocation policy is appropriate for the Fund. This allocation policy will be reviewed periodically and may be modified, if appropriate, in light of changes in the structure or goals of the Fund. The Target, Minimum, and Maximum allocations are monitored by Staff using data from the Custodian's Manager Mix Daily Data report (Daily Data), modified as necessary by Staff to incorporate performance estimates, and any other information that impacts market value estimates, that are not incorporated into the Daily Data. To calculate the numerator, each individual investment manager mandate, with the exception of the Employees' Reserve Fund, is sorted into one of the categories below, and the entire estimated market value of each respective mandate is added together for each respective category. The denominator represents the Total Market Value from the Daily Data, excluding the Employees' Reserve Fund, modified as necessary to incorporate any information that impacts market value estimates not yet incorporated into the Custodian's data.

<u>Public Equity</u>	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity			
Passive Large Cap	6.396.4%		
Active Large Cap	3.154.0%		
Active Mid/Small Cap	<u>6.665.8%</u>		
Total Domestic Equity	16.20%		
Total International Equity	<u>13.6812.6%</u>		
Total Global Equity	<u>6.127.2%</u>		
Total Public Equity	36%	32%	40%
<u>Fixed Income</u>			
Cash	1%	0%	5.0%
Passive Fixed Income	7.75%		
Active Fixed Income	23.25%		
Total Fixed Income	32%	27%	35%/37%*
<u>Private Real Estate</u>	12%	9%/6%**	15%
<u>Private Equity</u>	11%	8%	16%
<u>Absolute Return</u>	9%	6%	14%
<u>Total</u>	<u>100%</u>		

*Fixed Income Maximum 37% through ~~June~~March 31, 2027 to accommodate an investment manager restructure. Maximum reverts back to 35% on ~~July~~April 1, 2027.

**Private Real Estate Minimum 6% through March 31, 2027 to accommodate an investment manager restructure. Minimum reverts back to 9% on April 1, 2027.

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Updated June 2026

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Domestic Equity			
Passive Large Cap	6.39%		
Active Large Cap	3.15%		
Active Mid/Small Cap	6.66%		
Total Domestic Equity	16.20%		
Total International Equity	13.68%		
Total Global Equity	6.12%		
Total Public Equity	36%	32%	40%
<u>Fixed Income</u>			
Cash	1%	0%	5.0%
Passive Fixed Income	7.75%		
Active Fixed Income	23.25%		
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IV.

ADMINISTRATION & OPERATIONS COMMITTEE REPORT

- A. Approval of A&O Committee Internal Audit Charter.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following items (IV.B. and IV.C.), as provided in Section 19.85 (1) (e), Wisconsin Statutes, for deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

- B. Review of Results of RFP for Internal Audit Services and Approval of Vendor Selection.
- C. Approval of Front Desk Security Hardening Project Proposal.

Employees' Retirement System of the City of Milwaukee

Internal Audit Charter June 2026

Purpose

The purpose of this Internal Audit Charter dated **June 2026**, is to assist the internal auditors in fulfilling their mission and fiduciary responsibilities under the oversight of the Administration and Operations (A&O) Committee. The provisions of this charter apply to the activities of the **Employees' Retirement System (ERS)** of the City of Milwaukee Internal Audit function only, and should be used for no other purpose. This document includes the following topics.

- I. MISSION
- II. OBJECTIVES & SCOPE
- III. INDEPENDENCE
- IV. AUTHORITY
- V. ACCESS
- VI. RESPONSIBILITIES & ACCOUNTABILITY
- VII. PROFESSIONAL STANDARDS
- VIII. REPORT DISTRIBUTION & FOLLOW-UP
- IX. RELATIONSHIP TO PREVENTION, DETECTION & CORRECTION ACTIVITIES
- X. SIGNATURE SECTION

I. MISSION

The mission of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the operations of ERS. It assists the Board and the Executive Director in accomplishing their oversight responsibilities by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes. The following are specific tasks to be carried out by Internal Audit to accomplish the mission:

- **Supporting the agency's efforts to achieve** its objectives through conducting a risk assessment every three years, designing, reviewing and executing an annual audit plan, and providing a wide range of quality independent internal auditing services.
- Assessing the integrity, quality, and efficiency of the systems of internal control.
- Assessing the degree to which ERS complies with various policies, procedures, laws, and regulations in a manner that facilitates operational efficiency, quality of service, and fiduciary responsibility.

- Examining and testing the performance of important control elements.
- Assessing the integrity of the financial reporting processes.
- Communicating results of audit projects through timely written reports delivered to the Board, the Executive Director, and management identified as stakeholders.
- Assessing through follow-up audit projects the degree to which management action plans created in response to recommendations in audit reports are carried out effectively and timely.

II. OBJECTIVES & SCOPE

Auditing Objectives. The objectives of the auditing services are to provide independent assurance to the **A&O Committee and management that ERS' assets are safeguarded, operating efficiency is enhanced, and compliance is maintained with prescribed laws and regulations and Board and management policies.** These objectives of auditing services include an independent **assessment of the agency's risk awareness, reliability and integrity of the organization's data and information, and achievement of the agency's goals and objectives.**

Consulting and Advisory Objectives. **The objectives of internal audit's consulting and advisory services are to provide ERS management with recommendations for improving processes that will advance the goals and objective to successfully achieve the overall mission of the organization.** The objectives will also allow internal audit the opportunity to follow-up with management to ensure action steps were taken to mitigate the risk.

Scope. **The scope of work of internal audit is to determine whether the agency's network of risk management, internal control, and governance processes, as designed and represented by management, are adequate and functioning in a manner to ensure:**

- Programs are operating within the highest fiduciary standards and are in compliance with the requirements defined in the Federal and State constitutions, laws, and regulations, local government ordinances and rules, and the policies and procedures of the agency.
- Programs and processes are in synchrony with industry best practices, using the best public and private examples and all resources available as benchmarks.
- Significant legislative or regulatory issues impacting the agency are recognized and addressed appropriately and timely.
- Operations, processes and programs are consistent with established missions, objectives **and goals and they are being executed in accordance with management's plan.**
- Existing policies and procedures are appropriate and updated.
- Internal and external risks are identified and managed.
- Employers appropriately enroll employees, accurately report member earnings, and appropriately report other employee data.
- **Interaction with appropriate governance groups occurs as needed.**
- **Significant financial, managerial, and operating information is accurate, reliable, and timely.**

- Resources are acquired economically, used efficiently, and adequately protected.
- Quality service and continuous improvement are fostered in the **organization's control** process.
- Contractors, including third-party administrators, are meeting the objectives of the contracts, while in conformance with applicable laws, regulations, policies, procedures and **best practices and the agency's contract monitoring** process is effective to ensure minimal risk.
- Responsibilities and activities of the external financial statement auditors are coordinated with those of the internal auditors in order to provide continuity of audit efforts and to avoid duplication.
- Access for auditors is provided as appropriate.
- Specific operations, processes or programs are reviewed at the request of the A&O Committee, the Board, and management.

Opportunities for improving member service, management of risks, internal control, **governance, cost benefit, and the organization's effectiveness and image may be identified** during audits. This information will be communicated to the A&O Committee and to appropriate levels of management.

III. INDEPENDENCE

Independent Professional Standards. The A&O Committee recognizes that professional independence requires the auditors have knowledge of operations and appropriate expertise in the subject matter that is being audited. Internal Audit must provide the credentials of any or all staff members upon request of the A&O Committee.

Conflict of Interest. Internal Audit shall discuss any potential issues regarding impairment of independence and/or conflicts of interest and their mitigation(s) with the A&O Committee as necessary.

IV. AUTHORITY

The Internal Audit function is established by the Board of this agency and governed by the A&O Committee. This Charter is approved and all future amendments to it are to be approved by the A&O Committee through a majority vote. This Charter shall be reviewed at least annually and updated as required by the A&O Committee.

Internal Audit functionally reports to the A&O Committee. Meetings are held with the A&O Committee on at least a quarterly basis. The portion of the A&O Committee agenda regarding Internal Audit generally include:

- **A discussion of current year Plan status**
- **Points of emphasis of audit reports issued in the quarter**
- **Status of audits in process**
- **Changes or proposed changes to the Plan**
- **Audit follow-up status reports as necessary (based on exceptions noted)**
- **Special requests for audits from the Board** or from Management with Board approval

- Closed sessions, when necessary, as provided for under the Wisconsin open meetings law

The A&O Committee retains the right to provide input and approve the annual audit plan presented by Internal Audit. The risk assessment and Plan are discussed in the meeting at the end of the quarter in which they are completed. Internal Audit shall inform the A&O Committee of the status of the audit plan and any changes needed. Management may request special audits outside of the plan to be conducted, which must be approved by the A&O Committee. The mission, responsibilities, and workings of the A&O Committee are described in the committee charter.

Internal Audit staff is not authorized to initiate or approve accounting transactions external to those related to the function. Internal Audit staff is not authorized to direct the activities of any agency employee not employed by the function, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

V. ACCESS

The Internal Audit staff, as appropriate, are granted authority for full, free and unrestricted **access to all of the agency's functions, records**, files and information systems, personnel, contractors, external auditors, physical properties, rental locations, and any other item relevant to the function, process or department under review. All contracts with vendors shall contain standard audit language enabling the internal auditors and other auditors and specialists to have access to relevant records and information. Documents and information given to Internal Audit shall be handled in the same prudent and confidential manner as by those employees normally accountable for them. All of the ERS employees are required to assist the staff of Internal Audit in fulfilling their audit functions and fiduciary duties.

VI. RESPONSIBILITIES & ACCOUNTABILITY

Internal Audit is responsible for the following in order to meet the mission, objectives and scope of this Charter:

1. Establish policies for conducting Internal Audit activities and directing its technical and **administrative functions according to the agency's policies and direction provided by the A&O Committee** and professional standards described in Section VII.
2. Perform a risk-assessment every three years and review the flexible annual audit plan that will accomplish the mission, objectives and scope of this Charter. This plan will include some unassigned hours in order to provide flexibility for changing conditions. This plan shall in part be based upon risks and control concerns identified by management.
3. Facilitate the implementation of the audit plan.
4. Implement the annual audit plan, as approved, including, as appropriate, any plan amendments, special tasks or projects requested by management, the Board and the A&O Committee.

5. Obtain updates to follow-up on management action plans as they relate to the recommendations provided by Internal Audit for improvement to ensure the risks are being mitigated timely.
6. Transmit copies of all audit reports and management letters to the A&O Committee.
7. Assess periodically whether the purpose, authority and responsibility, as defined in this Charter, continue to be adequate to accomplish its mission, objectives and scope. The result of this periodic assessment should be communicated to the A&O Committee.
8. Assist in the investigation of significant suspected fraudulent activities within the organization and notify the A&O Committee, the Board and other Executives, as appropriate, of the results.

VII. PROFESSIONAL STANDARDS

Internal Audit shall follow the professional standards of relevant professional organizations. These professional standards include, but are not limited to, the following:

- **Institute of Internal Auditors (IIA) Professional Standards and Code of Ethics**
- American Institute of Certified Public Accountants (AICPA) Professional Standards and Code of Ethics, as applicable
- **Generally Accepted Government Auditing Standards (GAGAS)** from the United States General Accounting Office (GAO), as applicable

VIII. REPORT DISTRIBUTION & FOLLOW-UP

Draft audit reports are first distributed to the Executive Director or their designee for comments. After comment, they are then distributed to the applicable department head. Internal Audit is responsible for obtaining management responses and issuing the final version of the audit report according to the following time schedule:

- Once a draft report is issued to a department head, 15 business days are allowed for management responses to be prepared and forwarded to Internal Audit. Internal Audit may extend the deadline, though the maximum number of business days for a response will be 25 days.
- Upon receipt of acceptable management responses, Internal Audit has 10 business days to issue the final version of the report.
- In cases where the department under review does not meet the above schedule, Internal Audit has the authority to issue the report without management responses to the chairman of the A&O Committee.

Final audit reports are distributed as follows:

- The department head, under review, receives a complete copy of the full report.
- **The Executive Director**, the Board, and the A&O Committee also receive a copy of the full report.

IX. RELATIONSHIP TO PREVENTION, DETECTION AND CORRECTION ACTIVITIES

Internal Audit strives to participate in the initial stages of major agency-wide projects so that risks can be appropriately managed and internal controls instituted in the design phase in order to prevent problems and minimize the associated costs. It recognizes that it is more expensive to detect and correct problems than it is to prevent them in the initial stages of a project.

X. SIGNATURE SECTION

The A&O Committee reviewed and adopted this Internal Audit Charter in **June 2026**, and transmitted it to the Board. The Internal Audit Charter is effective immediately and is hereby signed by the following persons who have authority and responsibilities under this Charter.

Executive Director

Date

V.


NEW BUSINESS

- A. Presentation by Larry Langer and Aaron Chochon of Cavanaugh Macdonald and Acceptance of 2026 Actuarial Valuation Report and Consider Approval of Updated Funding Policy Reports.
- B. Retirements, Death Claims, and Refunds (May).
- C. Conference Requests – June 24, 2026 Board Meeting.
- D. Approval of At Large Member Election Bulletin No. 201.

NAVIGATING Your Future



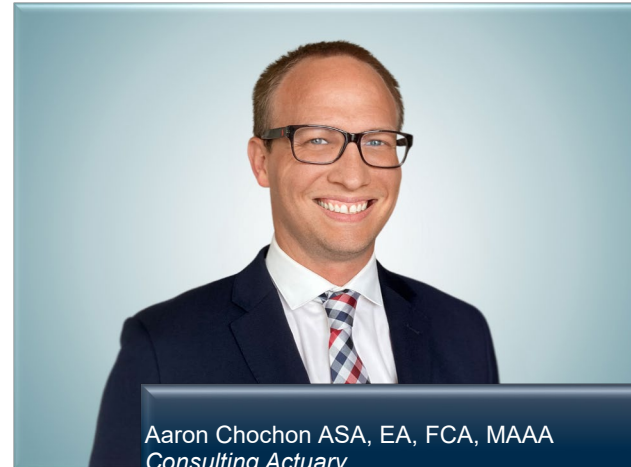
CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM
JANUARY 1, 2026 ACTUARIAL VALUATION

- 
- The CMERS CavMac Team
 - Actuarial Valuation Purpose and Process
 - Past Results
 - Current Results
 - Future Results

THE CMERS CAVMAC TEAM



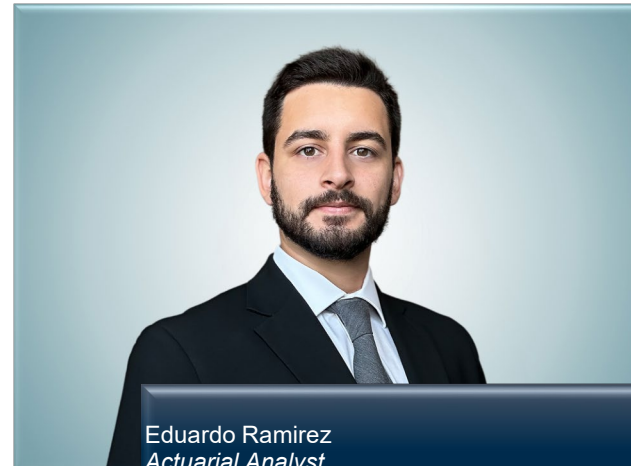
Larry Langer ASA, EA, FCA, MAAA
Principal and Consulting Actuary



Aaron Chochon ASA, EA, FCA, MAAA
Consulting Actuary



Ryan Gundersen ASA, FCA, MAAA
Consulting Actuary



Eduardo Ramirez
Actuarial Analyst



Past

The Funded Ratio has decreased from 127% in 2007 to 77% in 2026. While System experience has played a role, decreasing the discount rate from 8.50% to 6.80% during this period was the primary cause.

Current

Better than expected market return of 12.88% was offset by salary increases which were higher than expected, particularly for Police and Fire, resulted in a higher UAAL and lower Funded Ratio than expected. Employer Contributions were mixed compared to expectations.

Future

Under Act 12, CMERS is projected to be fully funded by January 1, 2054, when there will be less than 500 active members of the System due to the January 1, 2024 closure.

- **Actuarial Valuation:** the annual process used to determine the Funding and GASB results of the Fund.
- **Present Value of Future Benefits (PVFB):** the present value of benefits expected to be paid to members currently in the Fund.
- **Present Value of Future Normal Costs (PVFNC):** value of expected benefits (PVFB) allocated to future service.
- **Actuarial Accrued Liability (AAL):** the portion of the PVFB allocated to past service.
- **Actuarial Value of Assets (AVA):** a smoothed or average value of the market value of assets used to ameliorate ADEC volatility.
- **Unfunded Actuarial Accrued Liability (UAAL):** the AAL less the AVA; can be negative which is referred to as surplus.
- **Funded Ratio:** the ratio of the AVA over AAL.
- **Normal Cost:** the cost of benefits accruing during the upcoming year; the Employer Normal Cost is the Normal Cost less member contributions.
- **Actuarially Determined Employer Contribution (ADEC):** the employer contribution amounts determined by the annual actuarial valuation based on assumptions and methods recommended by CavMac and adopted by the Board of Trustees, subject to restrictions imposed by 2023 Wisconsin Act 12 (Act 12) - the use of a 6.80% discount rate and a 30-year amortization of the initial 2024 UAAL.

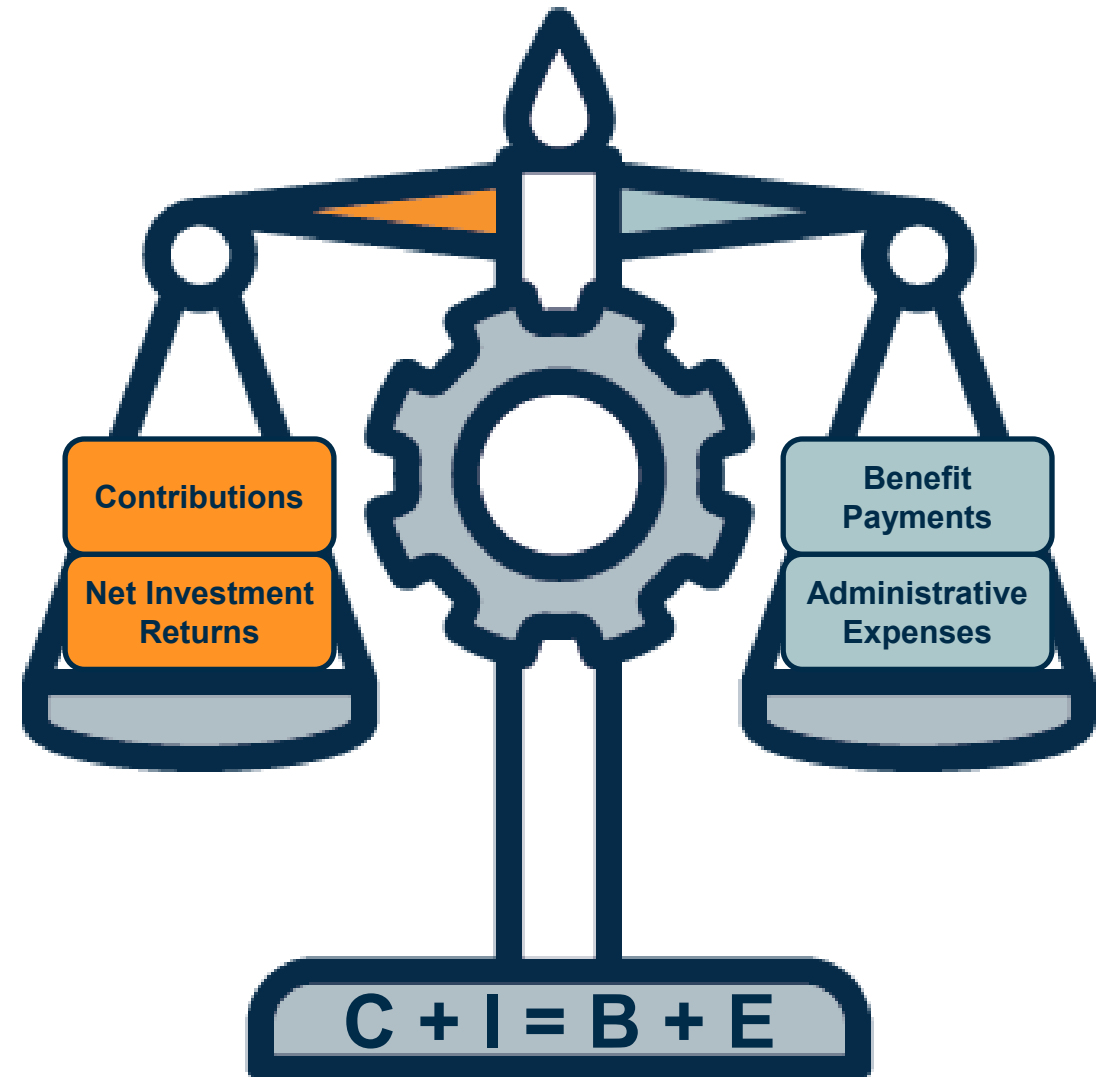
- **Actuarial Methods aka Funding Policy:** how the ADEC is determined to systematically fund the benefit promises. Includes:
 - **Actuarial Cost Method:** how the PVFB is allocated to past, current and future service,
 - **Asset Valuation Method:** how the AVA is determined and
 - **Amortization Method:** how the UAAL (or surplus) payment is determined.
- **Actuarial Gain/Actuarial Loss:** an Actuarial Gain occurs when the UAAL is lower than expected; an Actuarial Loss occurs when the UAAL is higher than expected.
- **Favorable:** We use the phrase ‘more favorable than expected’ for events which increase the Funded Ratio, decrease the UAAL and/or decrease the ADEC more than expected; we use the phrase ‘less favorable than expected’ for events with the opposite impact and mixed where there is a little of both.
- **Assumptions:** estimates of future events used to calculate the Present Value of Future Benefits of the Fund. Assumptions are categorized broadly as:
 - **Economic Assumptions:** Assumptions related to money – investment return, inflation, salary increases and others.
 - **Demographic Assumptions:** Assumptions related to people – life expectancy, termination, retirement and others.
- **Experience Study:** a report prepared by the actuary every five years which provides the basis for recommended changes to the actuarial assumptions. The next experience study is to be performed in time to be used for the January 1, 2028 actuarial valuation.

BASIC FUNDING RETIREMENT EQUATION

“Money In = Money Out”

Over the short term, the Actuarially Determined Employer Contributions are determined by an annual actuarial valuation and are based on estimated investment returns, benefits and expenses. These estimates are based on assumptions and methods recommended by CavMac and adopted by the Board of Trustees, subject to restrictions imposed by 2023 Wisconsin Act 12 (Act 12).

Over the long term, the Actuarially Determined Employers Contributions are adjusted to reflect actual investment returns, benefits and expenses.



Performed Annually as of January 1

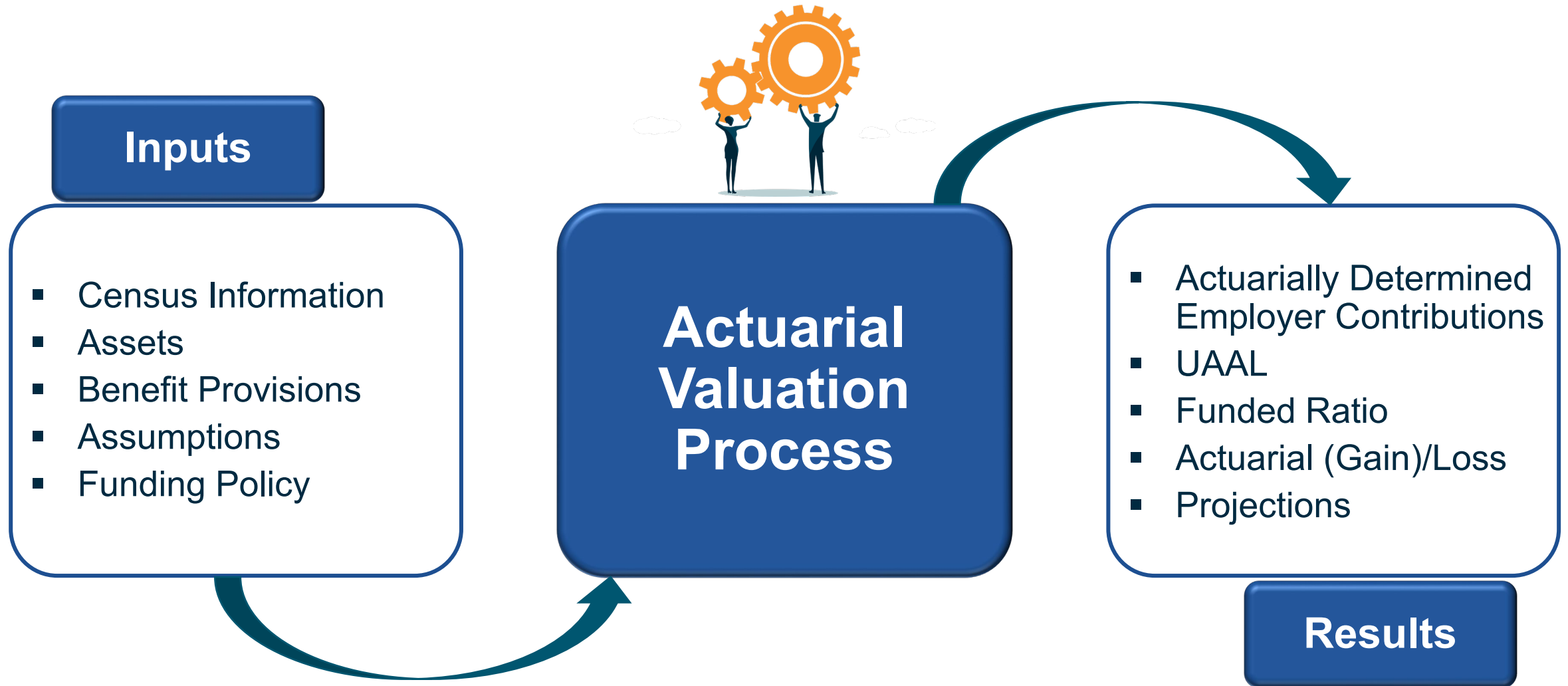
- Update previous valuation reflecting Calendar Year 2025 events
- Comment on impact Calendar Year 2025 events had on the January 1, 2026 valuation
- Includes Funding and GASB Results

Funding Results

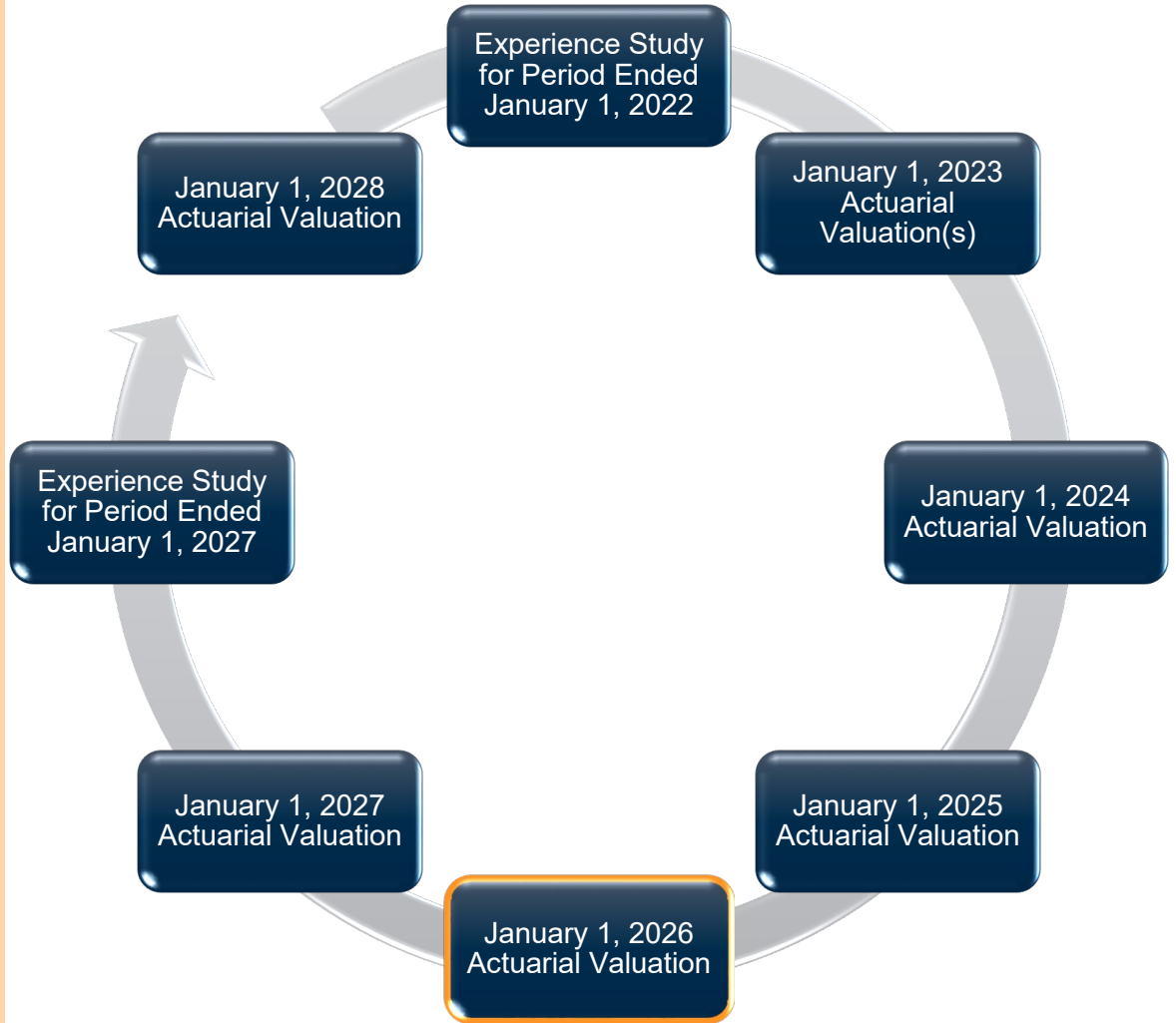
- Employer Contribution for Plan Year 2027 (January 1, 2027 through December 31, 2027) in accordance with Act 12
- Funded status as of January 1, 2026
- Unfunded Actuarial Accrued Liability (UAAL) as of January 1, 2026
- Unless otherwise noted, this presentation focuses on Funding Results

GASB 67/68

- Accounting results as prescribed by the Governmental Accounting Standards Board for Pensions (67/68)
- Pension Expense and Net Pension Liability are analogous to Contribution and UAAL



CMERS ACTUARIAL CYCLE



- Act 12 prescribes much of the Funding Policy
 - Stable Contribution Policy repealed
 - 30-year amortization of the January 1, 2024 Initial UAAL

“Future unfunded actuarial accrued factors such as market returns and liability due to standard actuarial practices may be amortized on the basis of standard actuarial practices”



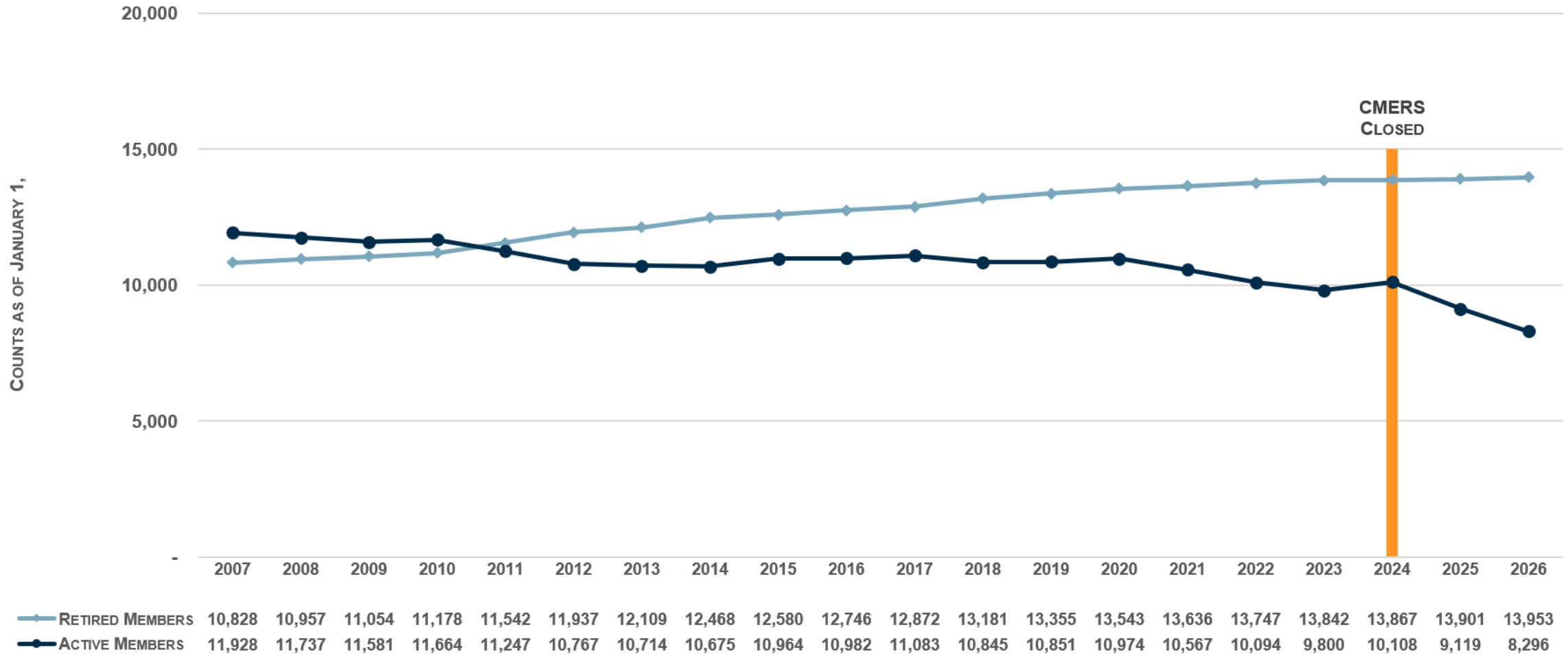
- Under the Board's layered 10-year level dollar amortization policy, the total actuarially determined employer contribution would increase by \$98.9 million, from \$242.8 million to \$341.7 million.
- No policy for amortizing future UAAL can replicate the Board's Funding Policy for a closed plan, which is a layered 10-year level dollar amortization.
- This does not absolve CavMac from complying with Actuarial Standards of Practice with respect to future changes in the UAAL.

- CavMac recommended and the Board adopted the following amortization policy for future UAAL
 - Initial UAAL and actuarial gains over 30 years beginning January 1, 2024
 - Actuarial losses over 10 years
- In our opinion, the current amortization policy for future UAAL complies with Actuarial Standards of Practice

PAST RESULTS



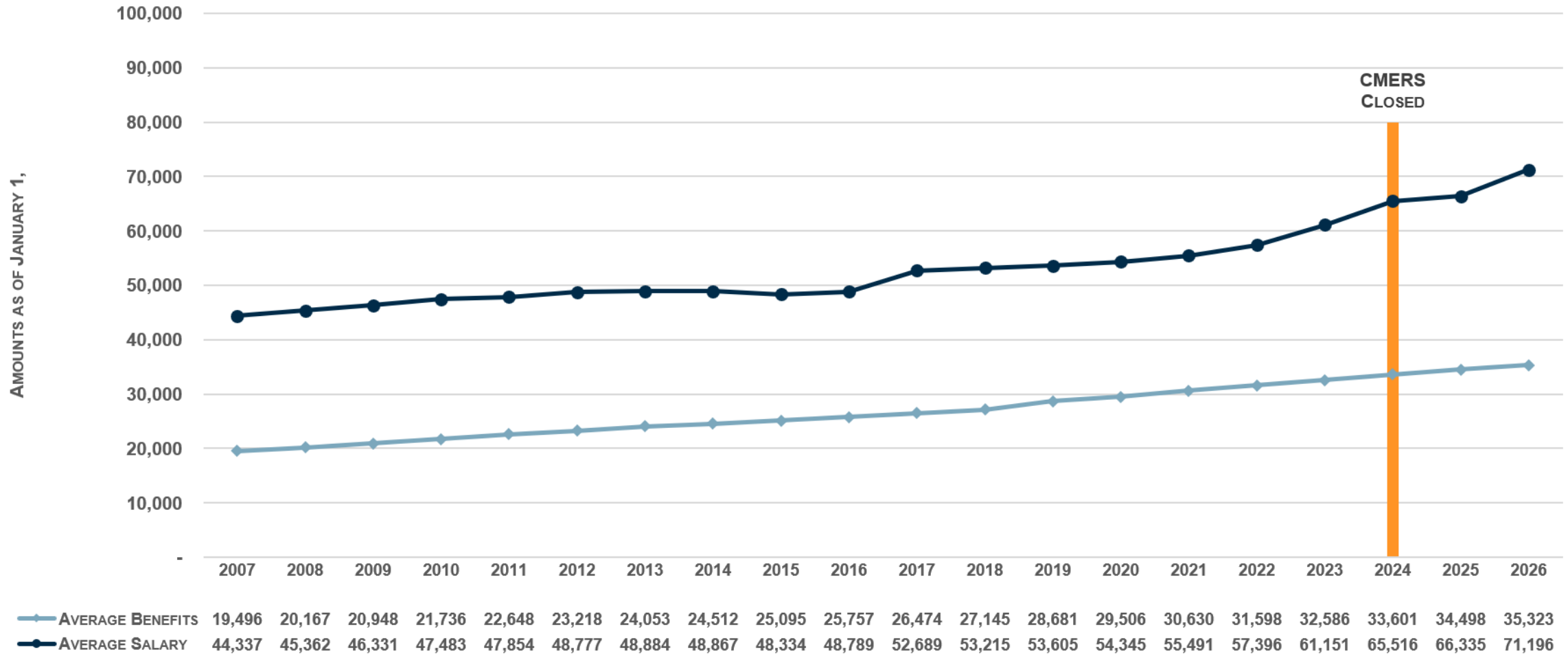
ACTIVE AND RETIRED MEMBERSHIP



Active Members: 30.45% decrease in counts since 2007; 9.03% decrease for 2025.

Retired Members: 28.86% increase in counts since 2007; 0.37% increase for 2025.

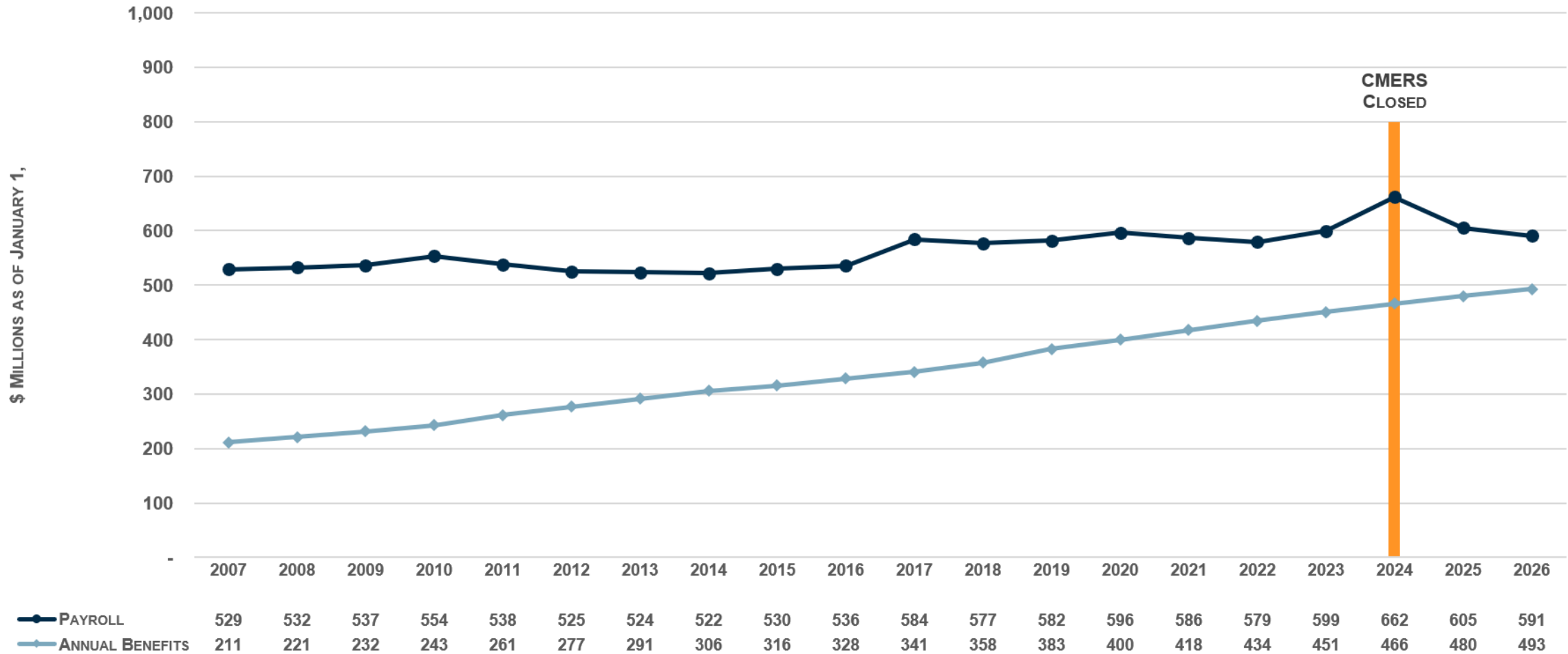
AVERAGE SALARY AND BENEFITS



Average Salary: 60.58% increase in average salary since 2007; 7.33% increase for 2025.

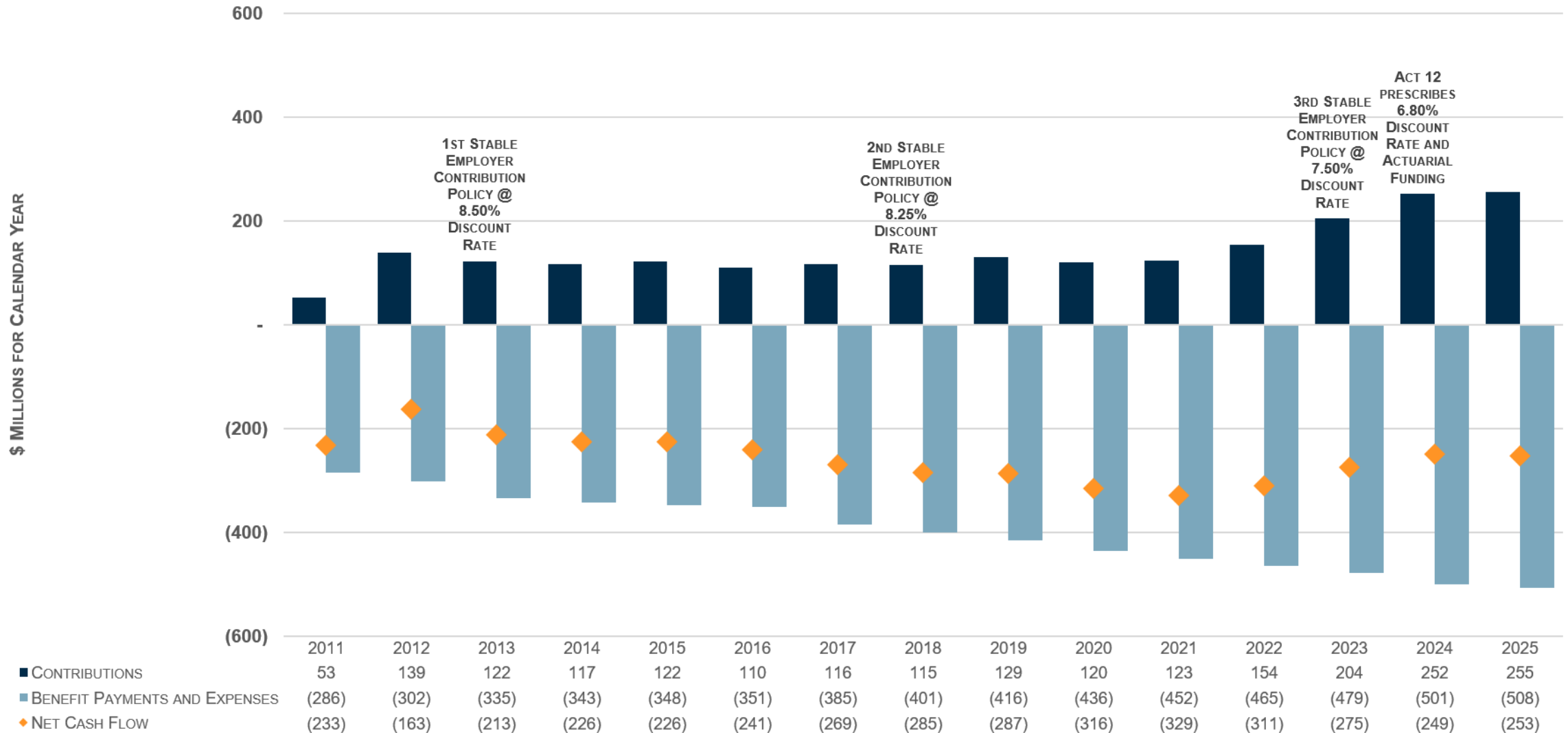
Average Benefits: 81.18% increase in average benefits since 2007; 2.39% increase for 2025.

PAYROLL AND BENEFITS

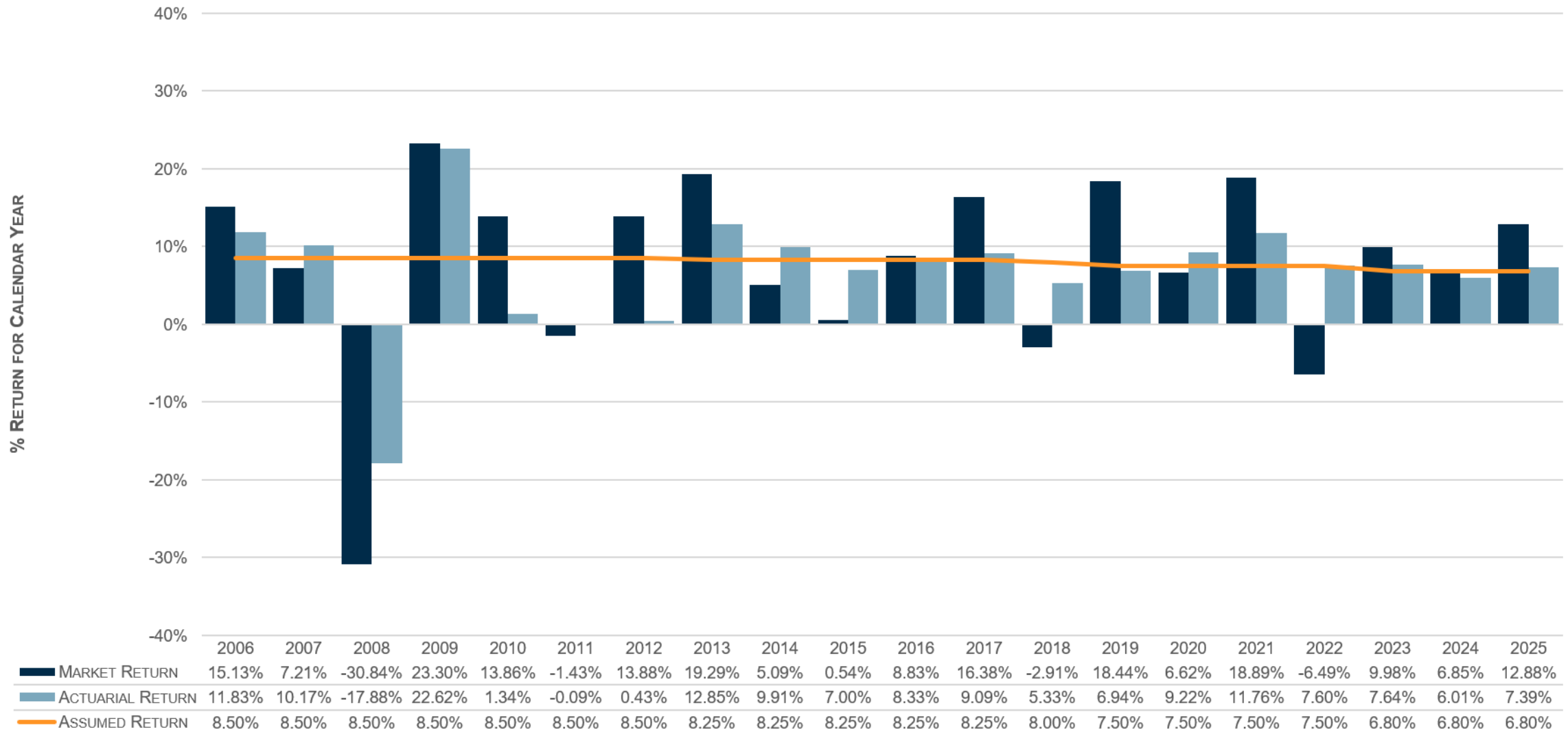


Annual Benefits: 133.47% increase in annual benefits since 2007; 2.78% increase for 2025.

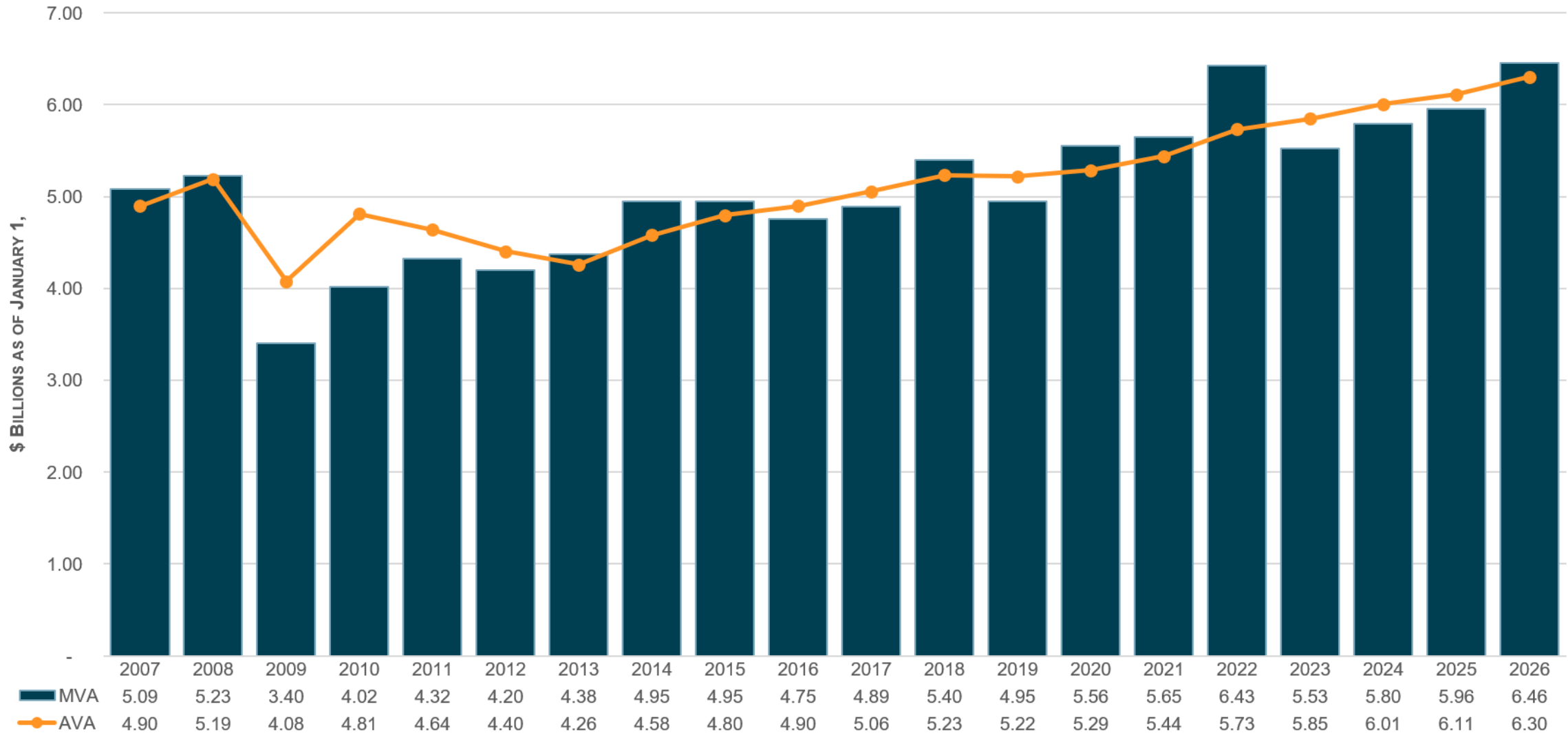
Payroll: 11.68% increase in payroll since 2007; 2.36% decrease for 2025.



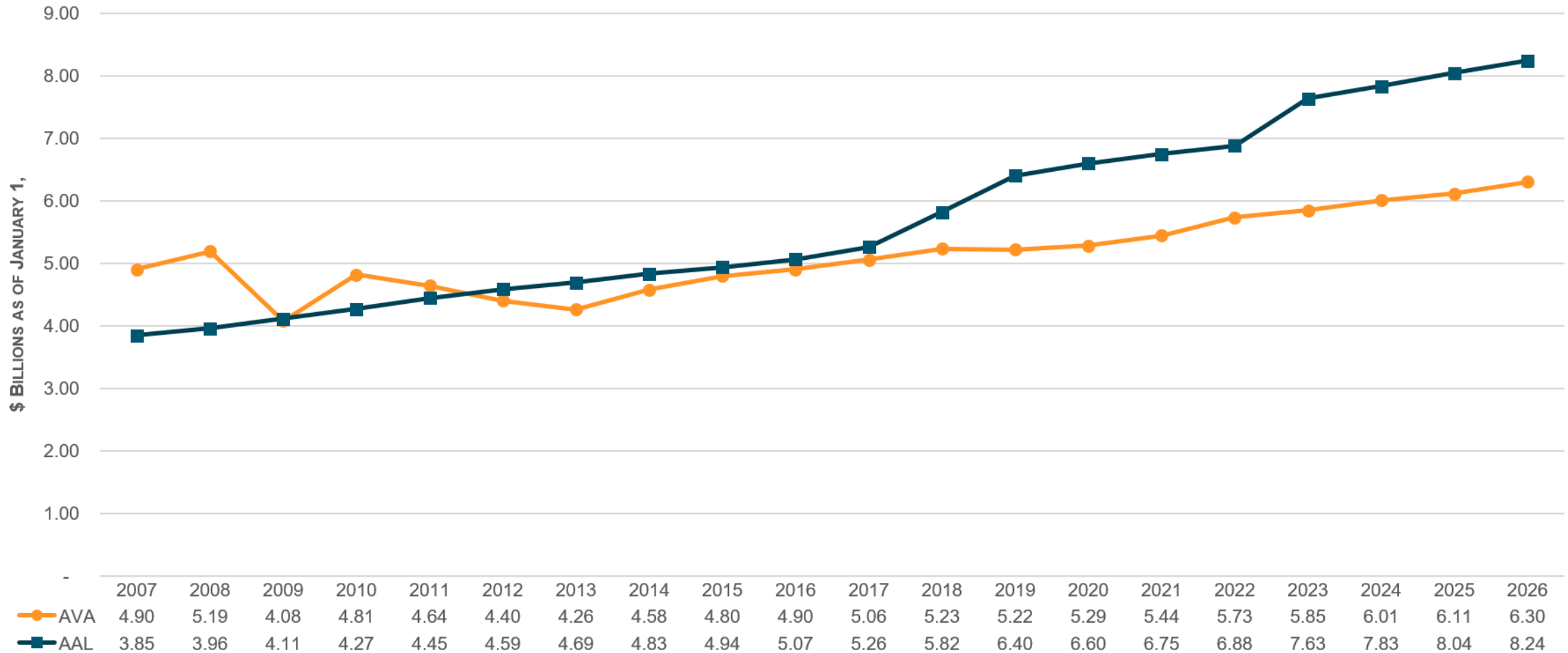
ASSET RATES OF RETURN



MARKET AND ACTUARIAL VALUE OF ASSETS



AAL vs AVA



Actuarial Value of Assets (AVA): 28.63% increase in AVA since 2007; 3.10% increase for 2025.

Actuarial Accrued Liability (AAL): 114.13% increase in AAL since 2007; 2.41% increase for 2025.

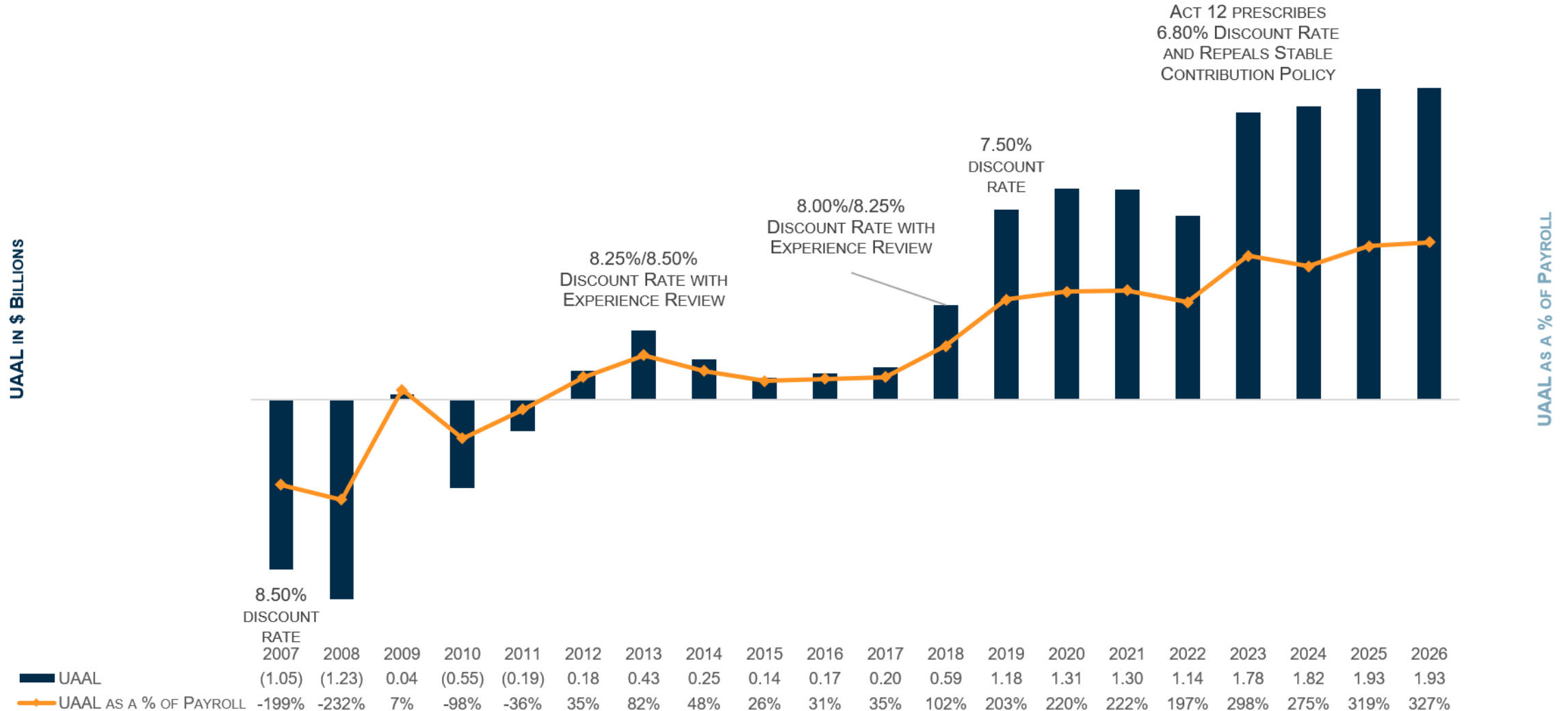
PLAN EXPERIENCE SINCE LAST EXPERIENCE STUDY



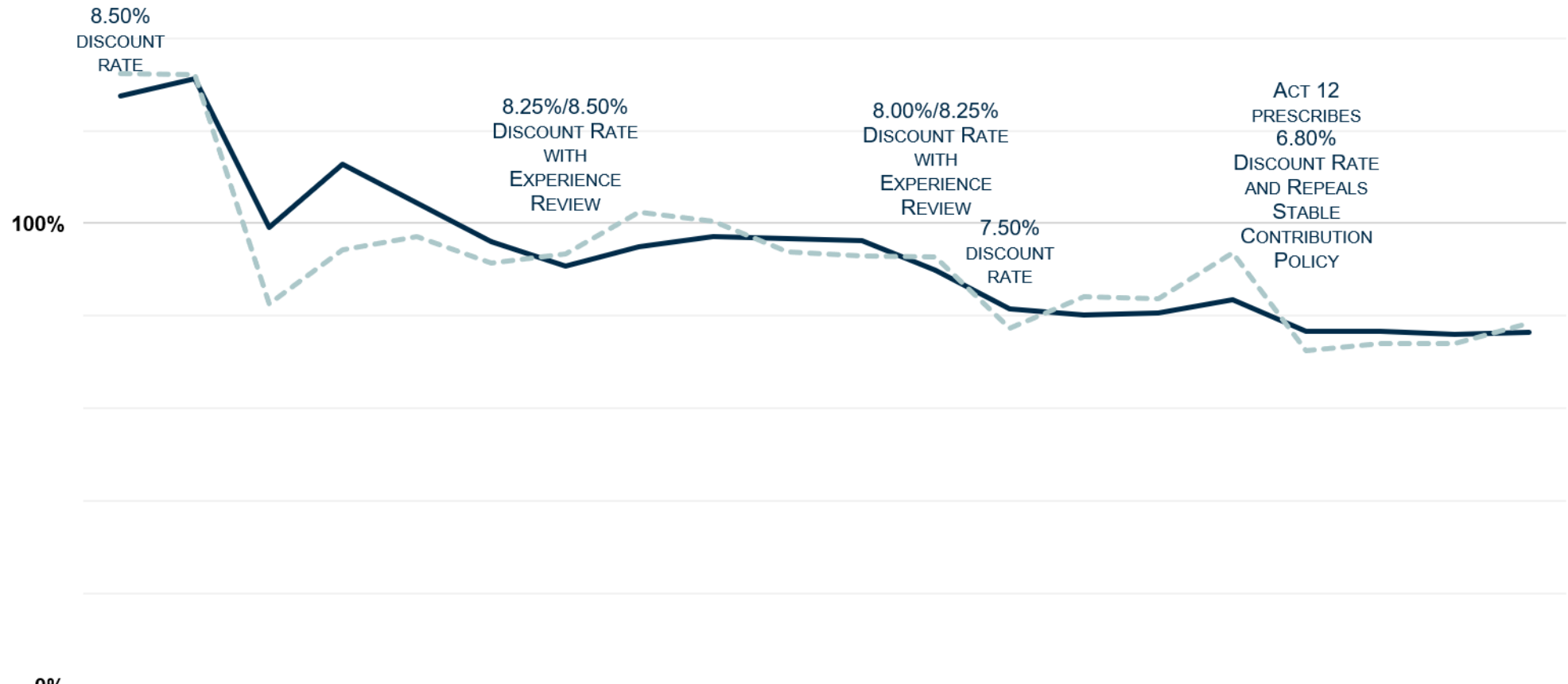
(Gains) are unexpected *decreases* in UAAL; Losses are unexpected *increases* in UAAL.

For Calendar Year 2025, CMERS experienced an asset gain of 27 million and a liability loss of 51 million, for a total loss of 24 million.

UNFUNDED ACTUARIAL ACCRUED LIABILITY



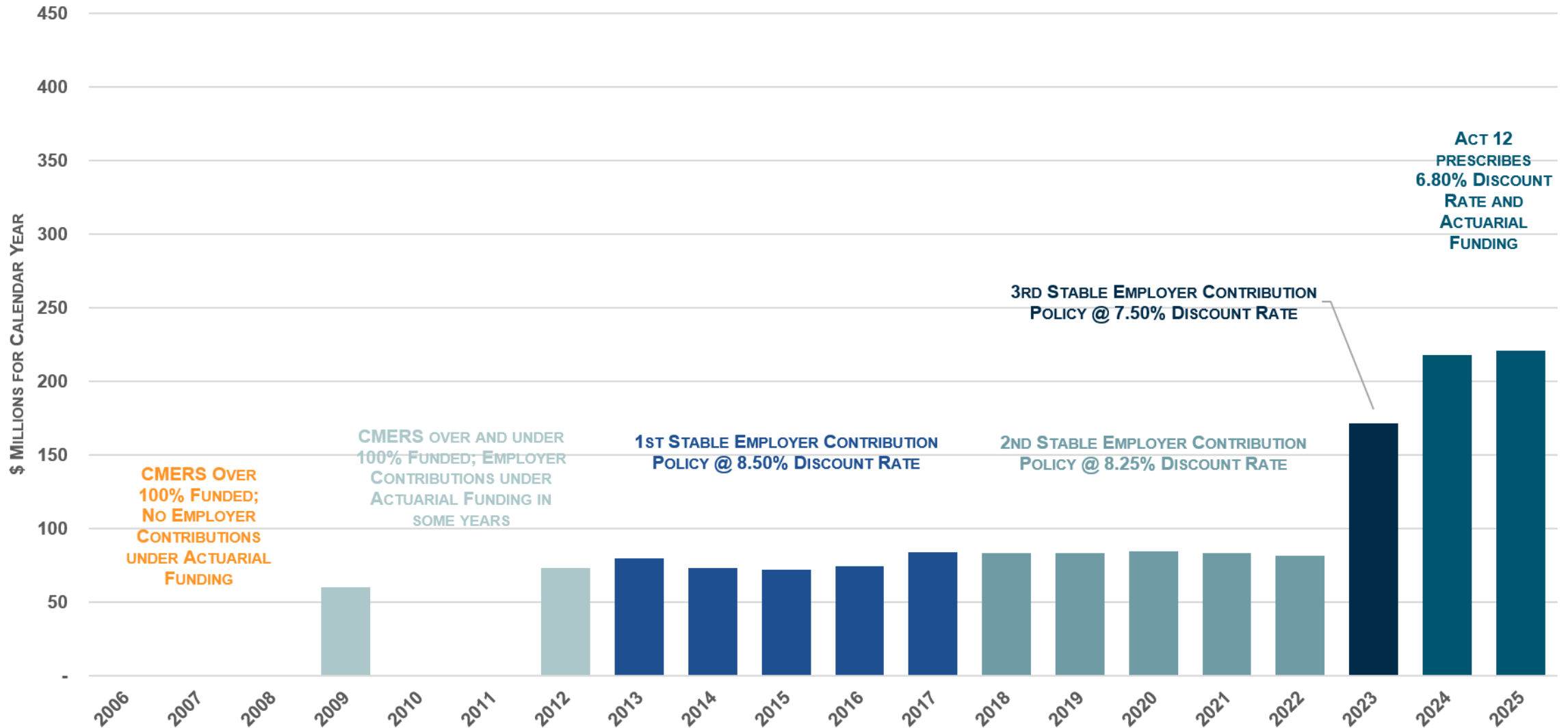
FUNDED RATIO



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
— ACTUARIAL FUNDED RATIO	127%	131%	99%	113%	104%	96%	91%	95%	97%	97%	96%	90%	82%	80%	81%	83%	77%	77%	76%	77%
- - - MARKET FUNDED RATIO	132%	132%	83%	94%	97%	91%	93%	102%	100%	94%	93%	93%	77%	84%	84%	94%	72%	74%	74%	78%

— ACTUARIAL FUNDED RATIO - - - MARKET FUNDED RATIO

EMPLOYER CONTRIBUTIONS






The Funded Ratio has fallen from 127% before the Great Recession to 77% as of this valuation



CMERS was overfunded before the Great Recession and has a UAAL of \$1.93 billion as of this valuation



No employer contribution was necessary before the Great Recession; the \$1.93 billion UAAL has resulted in a Calendar 2027 employer contribution of \$243 million



While experience played a role in the above, decreasing the discount rate from 8.50% to 6.80% during this period has been the primary cause



Act 12 increased employer contributions by prescribing the discount rate of 6.80%

CURRENT RESULTS



FUNDING RESULTS SUMMARY

Results as of January 1	2026	2025	% Change
Membership Data			
Active Members			
• Count			
▪ General Employees	6,214	6,941	(10.47 %)
▪ Policemen	1,407	1,495	(5.89 %)
▪ Firemen	675	683	(1.17 %)
▪ Total	8,296	9,119	(9.03 %)
• Total Estimated Payroll			
▪ General Employees	\$ 389,484,000	\$ 411,922,000	(5.45 %)
▪ Policemen	137,918,000	134,198,000	2.77 %
▪ Firemen	63,240,000	58,788,000	7.57 %
▪ Total	\$ 590,642,000	\$ 604,908,000	(2.36 %)
Retirees, Beneficiaries and Disabled Members			
• Count	13,953	13,901	0.37 %
• Total Annual Benefits	\$ 492,866,000	\$ 479,552,000	2.78 %
• Average Annual Benefit	\$ 35,323	\$ 34,498	2.39 %

FUNDING RESULTS SUMMARY

Results as of January 1	2026	2025	% Change
Assets and Liabilities			
Asset Values			
• Actuarial Value of Assets (AVA)	\$ 6,302,321,000	\$ 6,112,957,000	3.10 %
• Market Value of Assets (MVA)	6,458,509,000	5,955,819,000	8.44 %
Asset Returns			
• Actuarial Value of Assets (AVA)	7.39 %	6.01 %	1.38 %
• Market Value of Assets (MVA)	12.88 %	6.85 %	6.03 %
Actuarial Accrued Liability (AAL)	\$ 8,236,636,000	\$ 8,042,693,000	2.41 %
UAAL and Funded Ratio			
• Based on AVA			
▪ Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,934,315,000	\$ 1,929,736,000	0.24 %
▪ Funded Ratio	76.52 %	76.01 %	0.51 %
• Based on MVA			
▪ Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,778,127,000	\$ 2,086,874,000	(14.79 %)
▪ Funded Ratio	78.41 %	74.05 %	4.36 %

FUNDING RESULTS SUMMARY

Employer Contribution for all Funds as of January 1,	2027	2026	% Change
City of Milwaukee	-	-	
• General	\$ 54,733,743	\$ 55,444,871	(1.28 %)
• Policemen	95,446,867	92,791,402	2.86 %
• Fire	47,505,994	45,649,109	4.07 %
• City of Milwaukee Subtotal	\$ 197,686,604	\$ 193,885,382	1.96 %
Agencies			
• Water Department	\$ 5,028,495	\$ 5,109,285	(1.58 %)
• School Board	29,746,087	29,990,515	(0.82 %)
• Milwaukee Technical College	194,667	215,729	(9.76 %)
• Sewerage Commission	5,813,260	5,559,084	4.57 %
• Veolia	1,443,305	1,464,419	(1.44 %)
• Wisconsin Center District	1,089,926	1,053,570	3.45 %
• Housing Authority	1,841,444	1,915,565	(3.87 %)
• Agencies Subtotal	\$ 45,157,184	\$ 45,308,167	(0.33 %)
Total Employer Contributions	\$ 242,843,788	\$ 239,193,549	1.53 %

Overall Experience was unfavorable

Asset Experience was more favorable than expected

- The market value return 12.88% was above the 6.80% expectation
- The actuarial value return 7.39% was also above 6.80% due to better than expected market returns since 2022

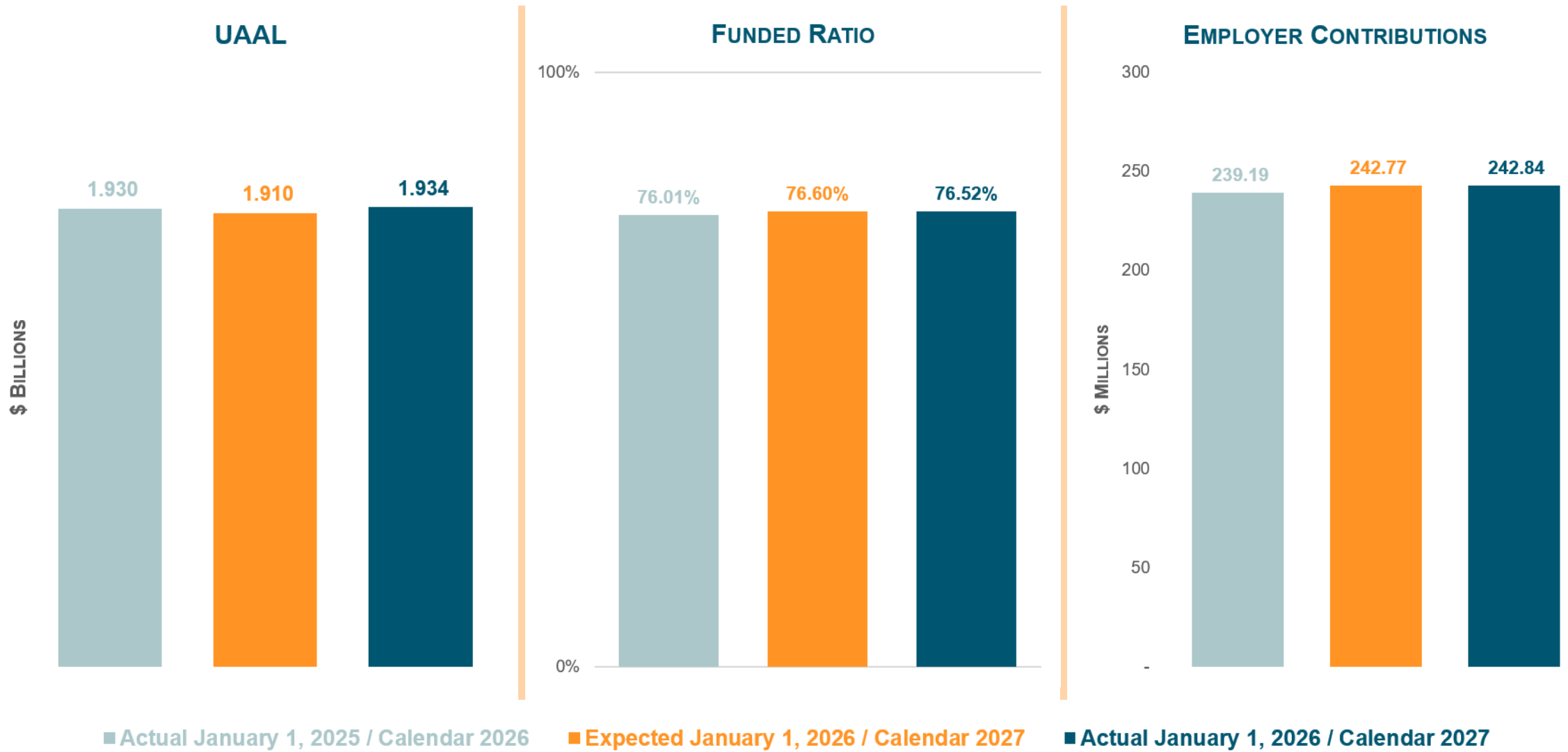
Liability Experience was less favorable than expected

- Higher than expected salary increases, particularly for Police and Fire, was the main cause
- Other liability experience partially offset the impact of salary increases

Changes in Assumptions, Funding Policy and Methods

- None

RESULTS WERE LESS FAVORABLE THAN EXPECTED




EMPLOYER CONTRIBUTION RESULTS WERE MIXED


Employer Contribution for all Funds	Actual Calendar 2026	Expected Calendar 2027	Actual Calendar 2027	Increase/ (Decrease) from Expected
City of Milwaukee				
• General	\$ 55,444,871	\$ 55,663,042	\$ 54,733,743	\$ (929,299)
• Policemen	92,791,402	94,945,591	95,446,867	501,276
• Fire	45,649,109	46,746,165	47,505,994	759,829
• City of Milwaukee Subtotal	<u>\$ 193,885,382</u>	<u>\$ 197,354,798</u>	<u>\$ 197,686,604</u>	<u>\$ 331,806</u>
Agencies				
• Water Department	\$ 5,109,285	\$ 5,144,689	\$ 5,028,495	\$ (116,194)
• School Board	29,990,515	30,052,249	29,746,087	(306,162)
• Milwaukee Technical College	215,729	203,474	194,667	(8,807)
• Sewerage Commission	5,559,084	5,562,724	5,813,260	250,536
• Veolia	1,464,419	1,461,837	1,443,305	(18,532)
• Wisconsin Center District	1,053,570	1,054,103	1,089,926	35,823
• Housing Authority	1,915,565	1,934,258	1,841,444	(92,814)
• Agencies Subtotal	<u>\$ 45,308,167</u>	<u>\$ 45,413,334</u>	<u>\$ 45,157,184</u>	<u>\$ (256,150)</u>
Total Employer Contributions	<u>\$ 239,193,549</u>	<u>\$ 242,768,132</u>	<u>\$ 242,843,788</u>	<u>\$ 75,656</u>



Market return of 12.88% led to an actuarial return of 7.39%, which was greater than the 6.80% assumption.



Greater than expected salary increases, particularly for Police and Fire, offset the impact of favorable returns.



40 new active participants during 2025, including 24 firefighters and 3 police officers.



As a result, UAAL was higher than expected, Funded ratio was lower than expected.



Employer contributions were mixed compared to expectations.

FUTURE RESULTS





Actuarial valuation is a snapshot measurement at a single point in time

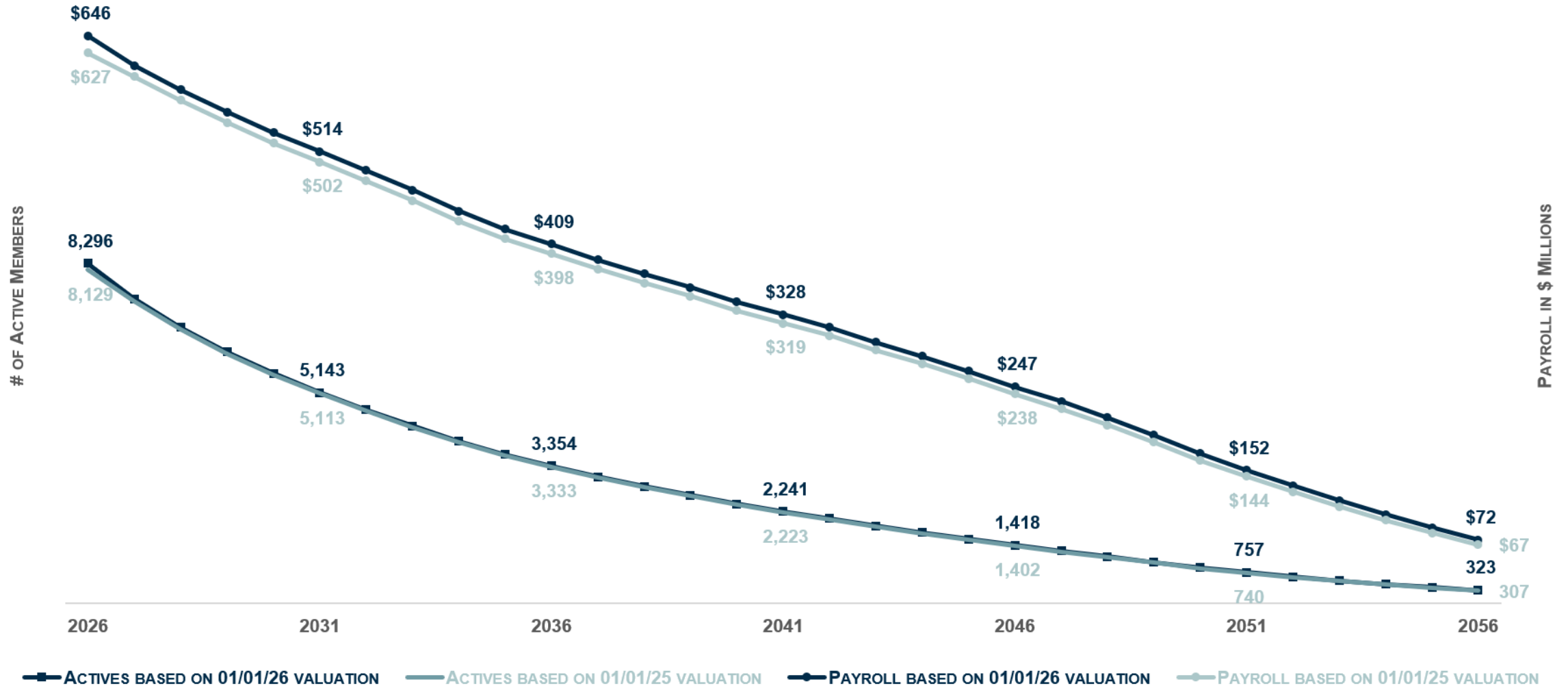
- Provides important information, but gives no insight into future valuation results and trends

Projections are not precise predictions

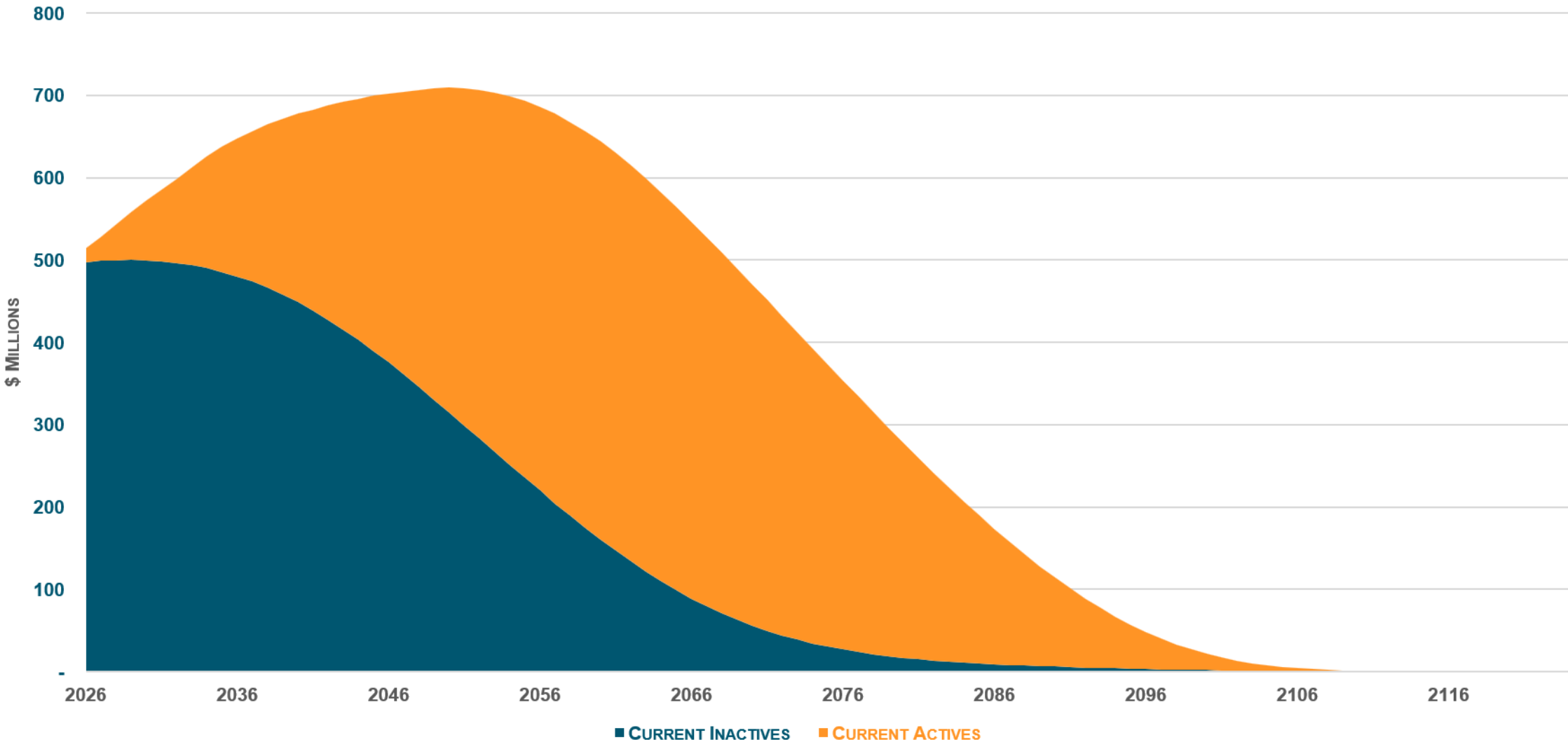
Projections based on many assumptions

- Assumes the 6.80% investment return assumption is met in all future years, unless otherwise noted
- All other actuarial assumptions – economic and demographic – are met each year in the future
- No change in current funding policy
- Full required contribution is paid each year

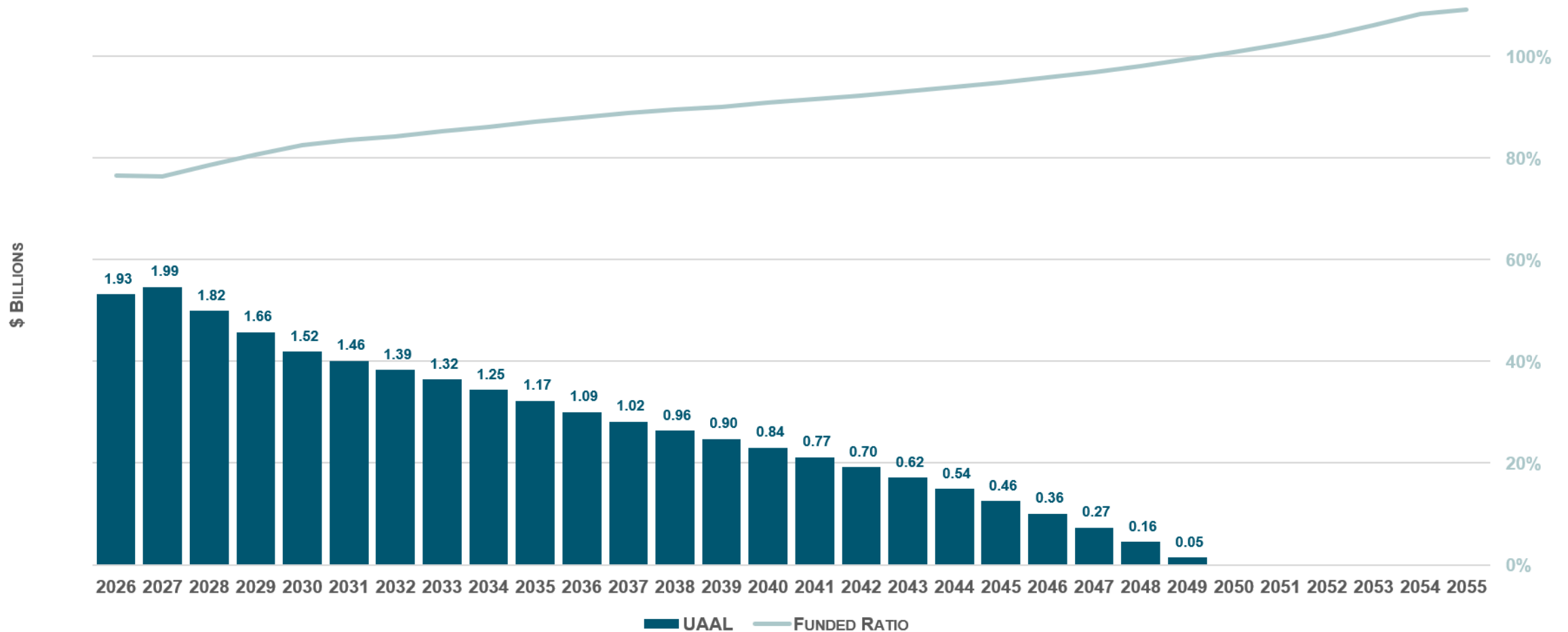
PROJECTED ACTIVES AND PAYROLL



PROJECTED BENEFIT PAYMENTS



UAAL AND FUNDED RATIO



The Initial UAAL is projected to be paid off by January 1, 2054.

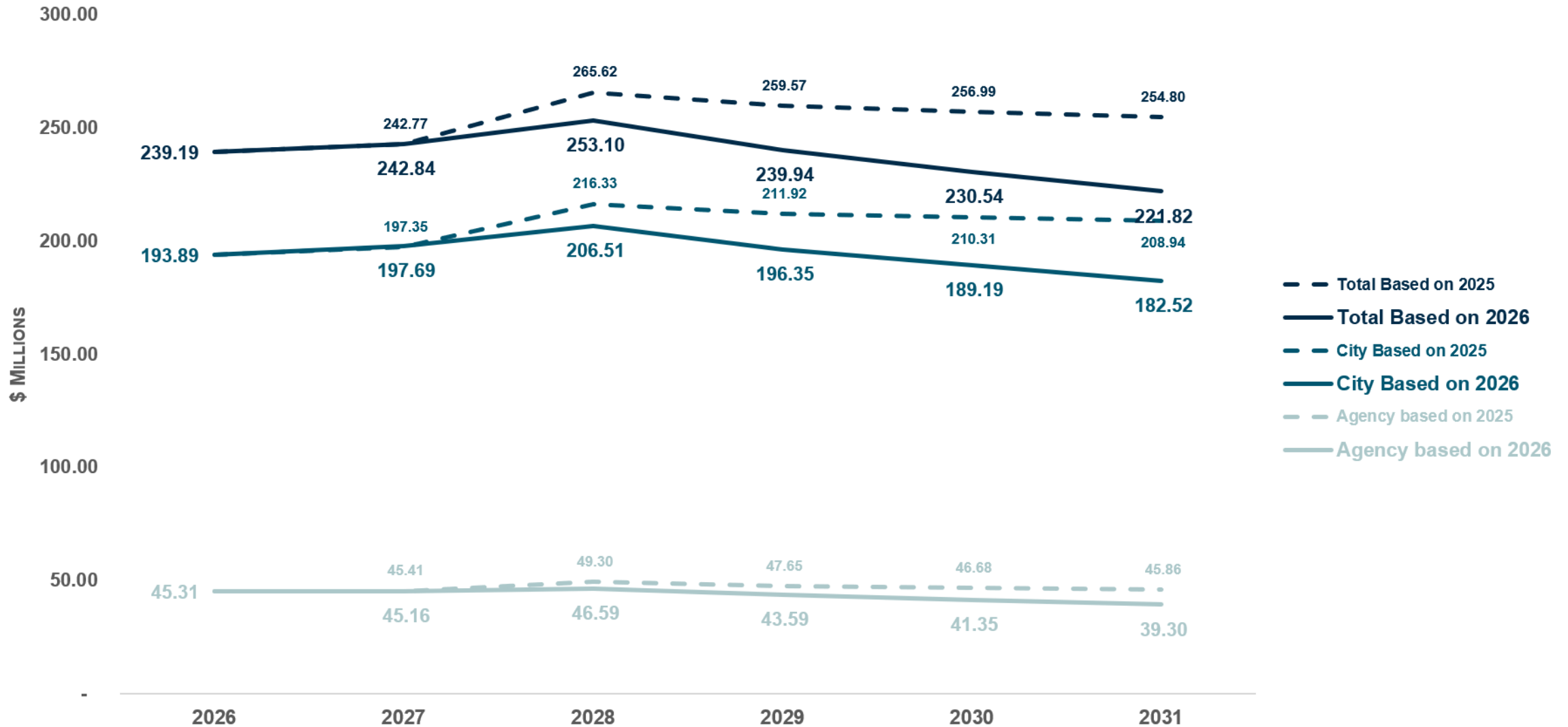
Market returns in excess of 6.8% and inclusion of Employer Reserve currently results in the UAAL being paid off a couple of years earlier.

EMPLOYER CONTRIBUTIONS

	Actual Calendar 2026	Actual Calendar 2027	Expected Calendar 2028	Expected Calendar 2029	Expected Calendar 2030	Expected Calendar 2031	Expected Calendar 2032
City of Milwaukee							
• General	\$ 55,444,871	\$ 54,733,744	\$ 56,532,979	\$ 52,870,809	\$ 50,166,326	\$ 47,668,552	\$ 46,727,180
• Policemen	92,791,402	95,446,867	100,076,725	95,584,060	92,518,207	89,615,488	89,031,469
• Fire	45,649,109	47,505,993	49,901,153	47,898,226	46,505,392	45,239,735	45,150,185
• City of Milwaukee Subtotal	\$ 193,885,382	\$ 197,686,604	\$ 206,510,857	\$ 196,353,095	\$ 189,189,925	\$ 182,523,775	\$ 180,908,834
Agencies							
• Water Department	5,109,285	5,028,495	5,213,923	4,922,834	4,704,135	4,508,138	4,448,497
• School Board	29,990,515	29,746,087	30,643,650	28,713,634	27,250,585	25,906,888	25,385,452
• Milwaukee Technical College	215,729	194,667	189,812	161,559	139,291	119,786	106,593
• Sewerage Commission	5,559,084	5,813,260	6,014,003	5,599,328	5,317,730	5,060,197	4,968,208
• Veolia	1,464,419	1,443,305	1,484,119	1,346,676	1,242,379	1,147,309	1,100,238
• Wisconsin Center District	1,053,570	1,089,926	1,122,665	1,069,361	1,028,012	990,195	985,252
• Housing Authority	1,915,565	1,841,444	1,917,812	1,777,782	1,663,385	1,565,938	1,528,597
• Agencies Subtotal	\$ 45,308,167	\$ 45,157,184	\$ 46,585,984	\$ 43,591,174	\$ 41,345,517	\$ 39,298,451	\$ 38,522,837
Total Employer Contributions	\$ 239,193,549	\$ 242,843,788	\$ 253,096,841	\$ 239,944,269	\$ 230,535,442	\$ 221,822,226	\$ 219,431,671

Amounts are shown as of January 1 of each year. Contributions made after January 1 accrue with interest at 6.80%. Contributions after 2027 are estimates and will be updated with each actuarial valuation.

WHAT A DIFFERENCE A YEAR MAKES





Investment returns which differ from the assumed return of 6.8% are the largest driver of employer contribution changes from year to year.

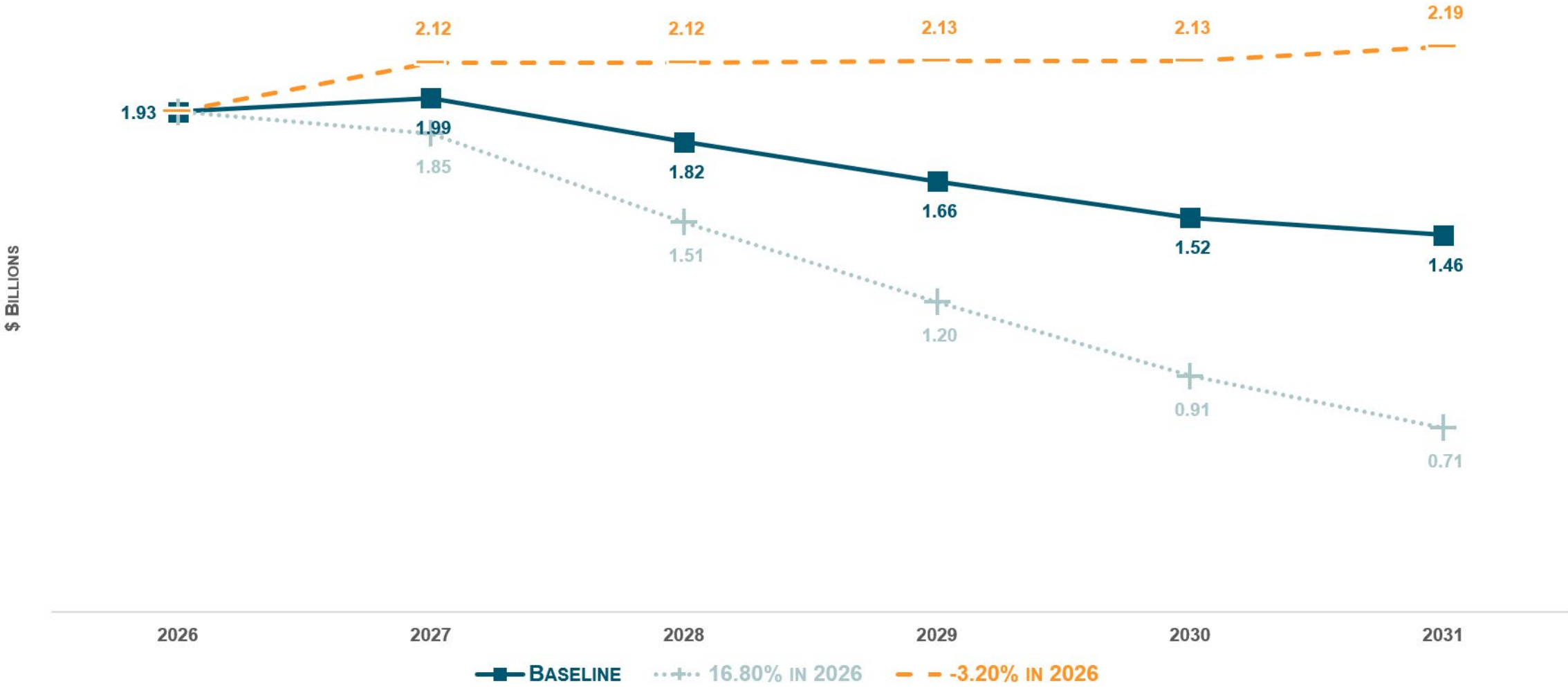
On the next slide, we have developed projections based on alternate 2026 investment return scenarios of -3.2%, 6.8% and 16.8%.

All other assumptions, including the assumed 6.8% return for Calendar Year 2027 and beyond, are assumed to occur.

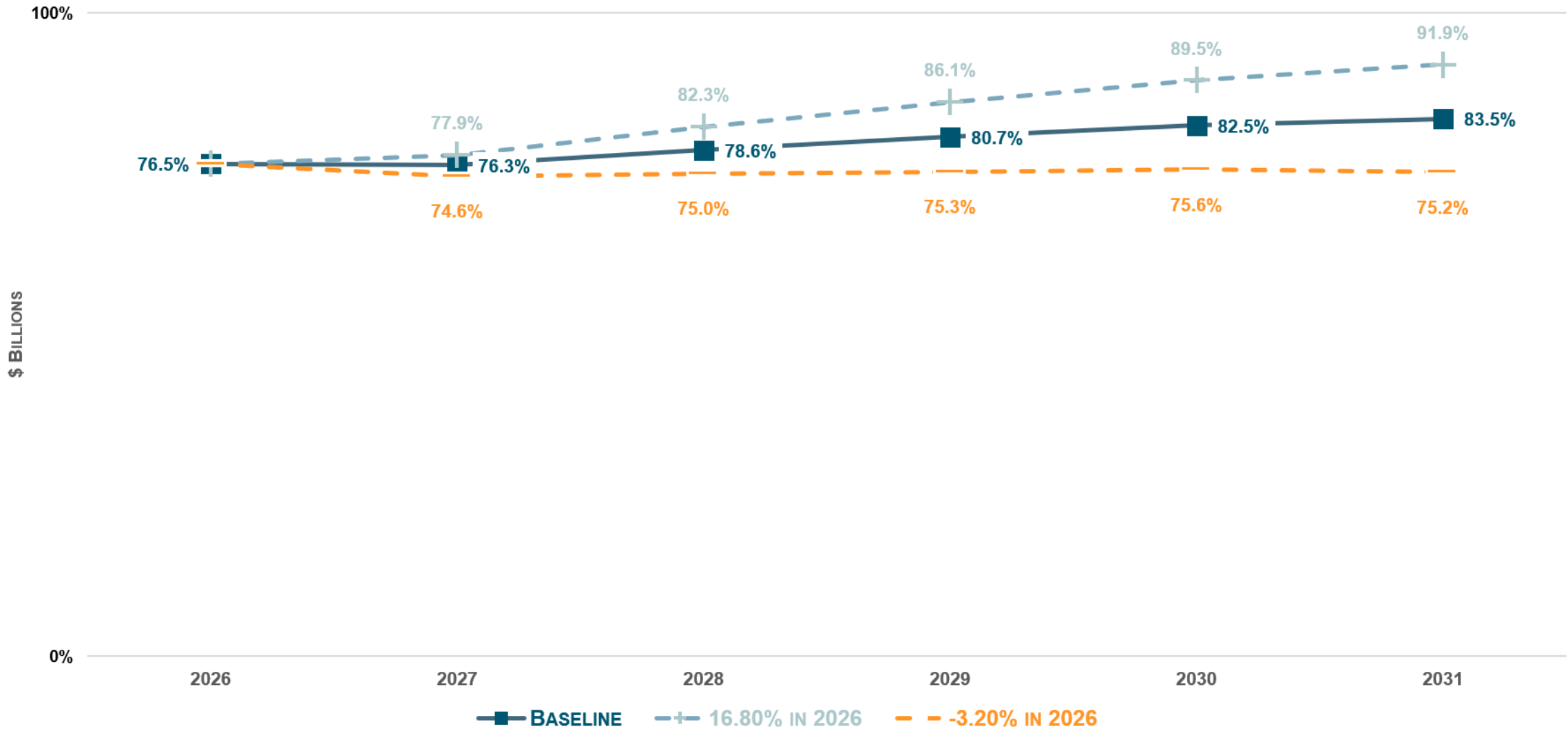
The first year's results in each of these projections are from this January 1, 2026 actuarial valuation.

Future results are estimates and will not be known until subsequent annual actuarial valuations are performed.

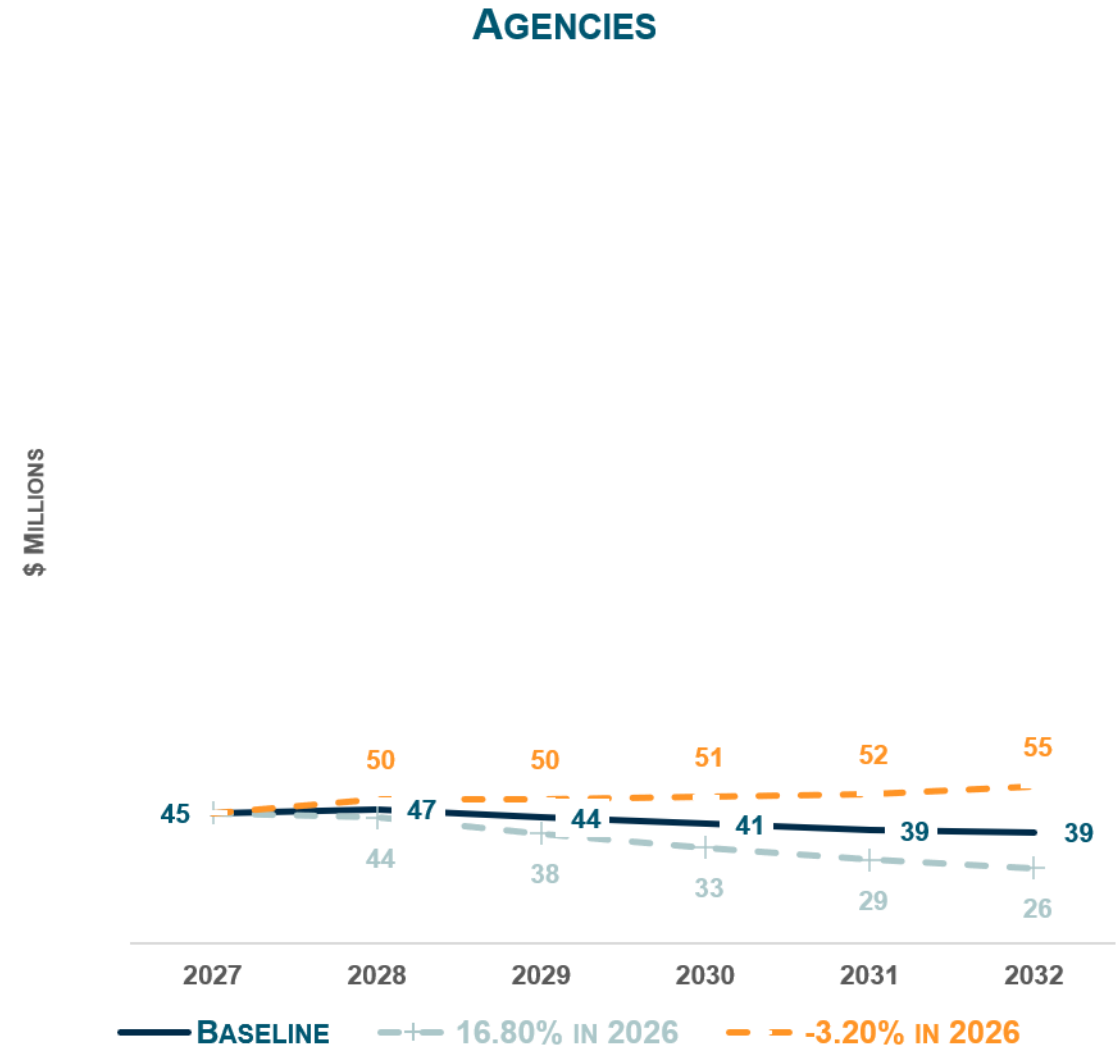
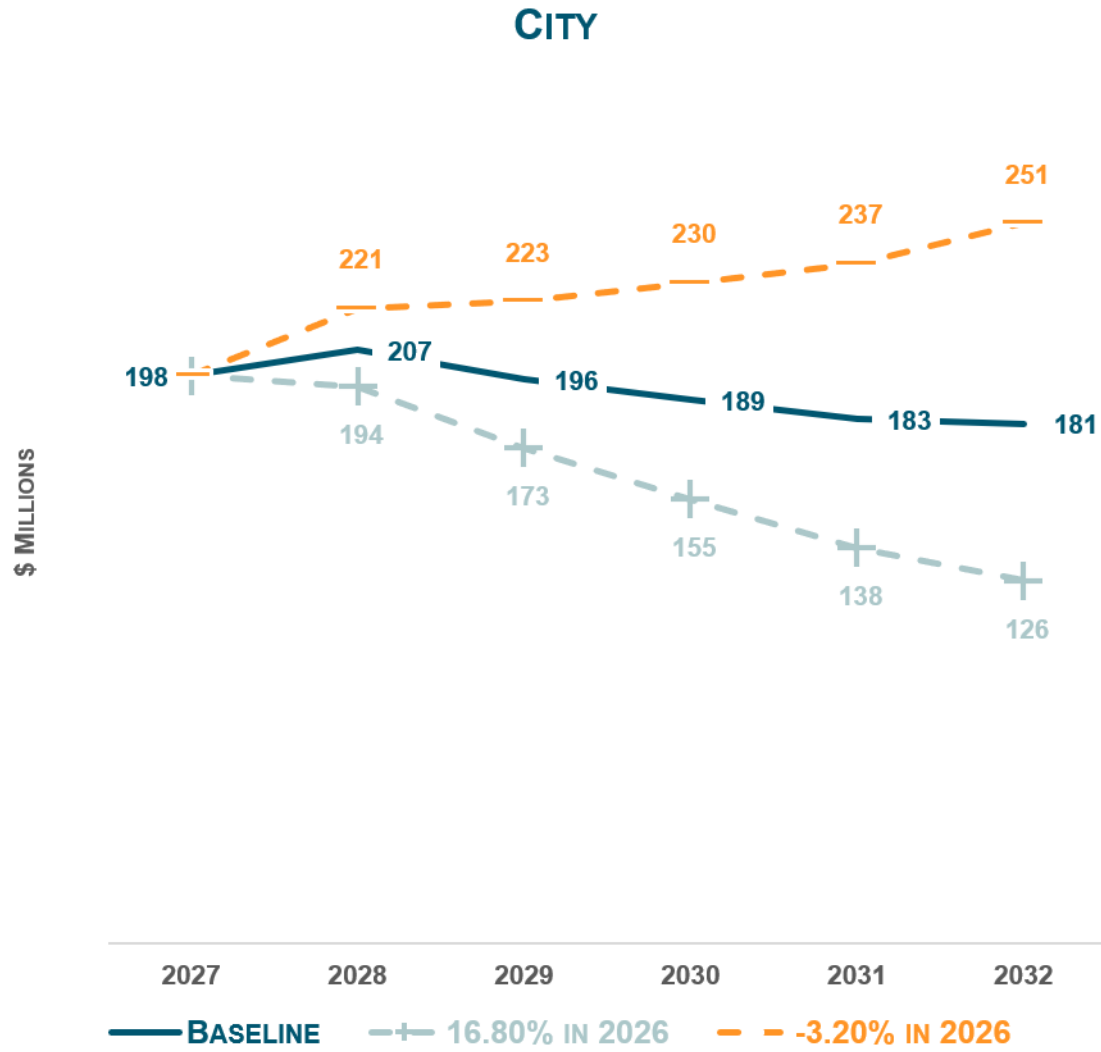
RETURN IMPACT ON UAAL



RETURN IMPACT ON FUNDED RATIO

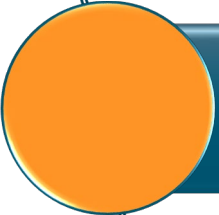


RETURN IMPACT ON EMPLOYER CONTRIBUTIONS

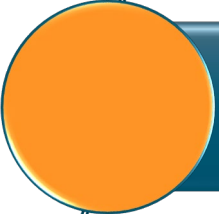




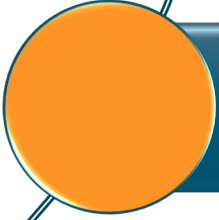
The initial 2024 UAAL is expected to be paid of by 2054.



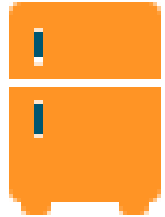
After the 2022 investment return has been fully recognized in 2027, we expect the UAAL to decline.



Returns since 2022 are expected to decrease employer contributions beginning in Plan Year 2029.



Results will differ from those shown due to actual experience different from expected. Future results will not be known until the valuations are performed.



Past

The Funded Ratio has decreased from 127% in 2007 to 77% in 2026. While System experience has played a role, decreasing the discount rate from 8.50% to 6.80% during this period was the primary cause.

Current

Better than expected market return of 12.88% was offset by salary increases which were higher than expected, particularly for Police and Fire, resulted in a higher UAAL and lower Funded Ratio than expected. Employer Contributions were mixed compared to expectations.

Future

Under Act 12, CMERS is projected to be fully funded by January 1, 2054, when there will be less than 500 active members of the System due to the January 1, 2024 closure.

The results were prepared under the direction of actuaries who meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. These results have been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions about them.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law.

Larry Langer, ASA, EA, FCA, MAAA
Principal and Consulting Actuary

Aaron Chochon, ASA, EA, FCA, MAAA
Consulting Actuary

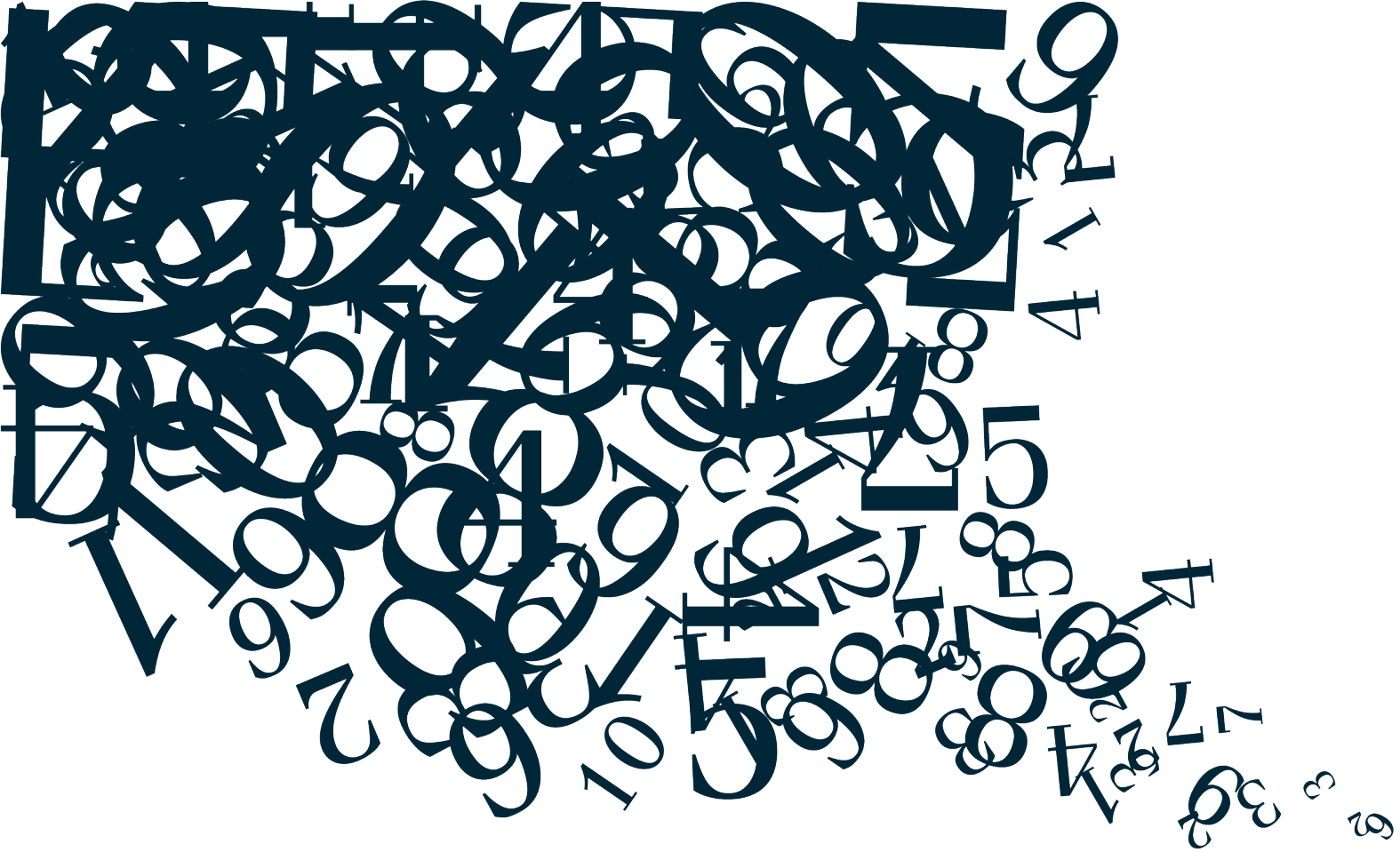
Ryan Gundersen, ASA, FCA, MAAA
Consulting Actuary

QUESTIONS?





THANK YOU!!



LEADERSHIP TEAM



Ed Koebel EA, FCA, MAAA
Chief Executive Officer and Consulting Actuary



Todd Green ASA, EA, FCA, MAAA
President and Consulting Actuary



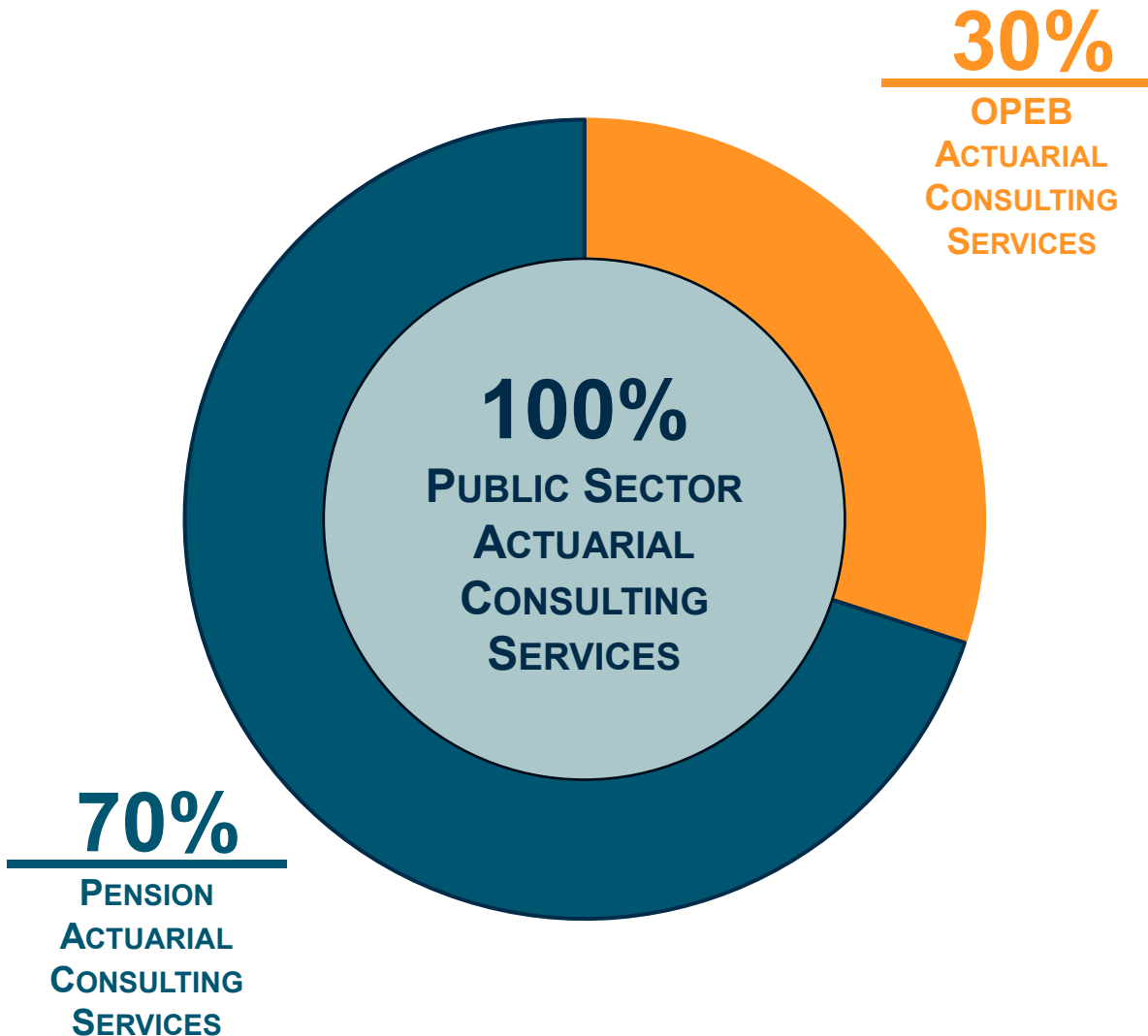
Alisa Bennett FSA, EA, FCA, MAAA
President and Consulting Actuary



Larry Langer ASA, EA, FCA, MAAA
Principal and Consulting Actuary



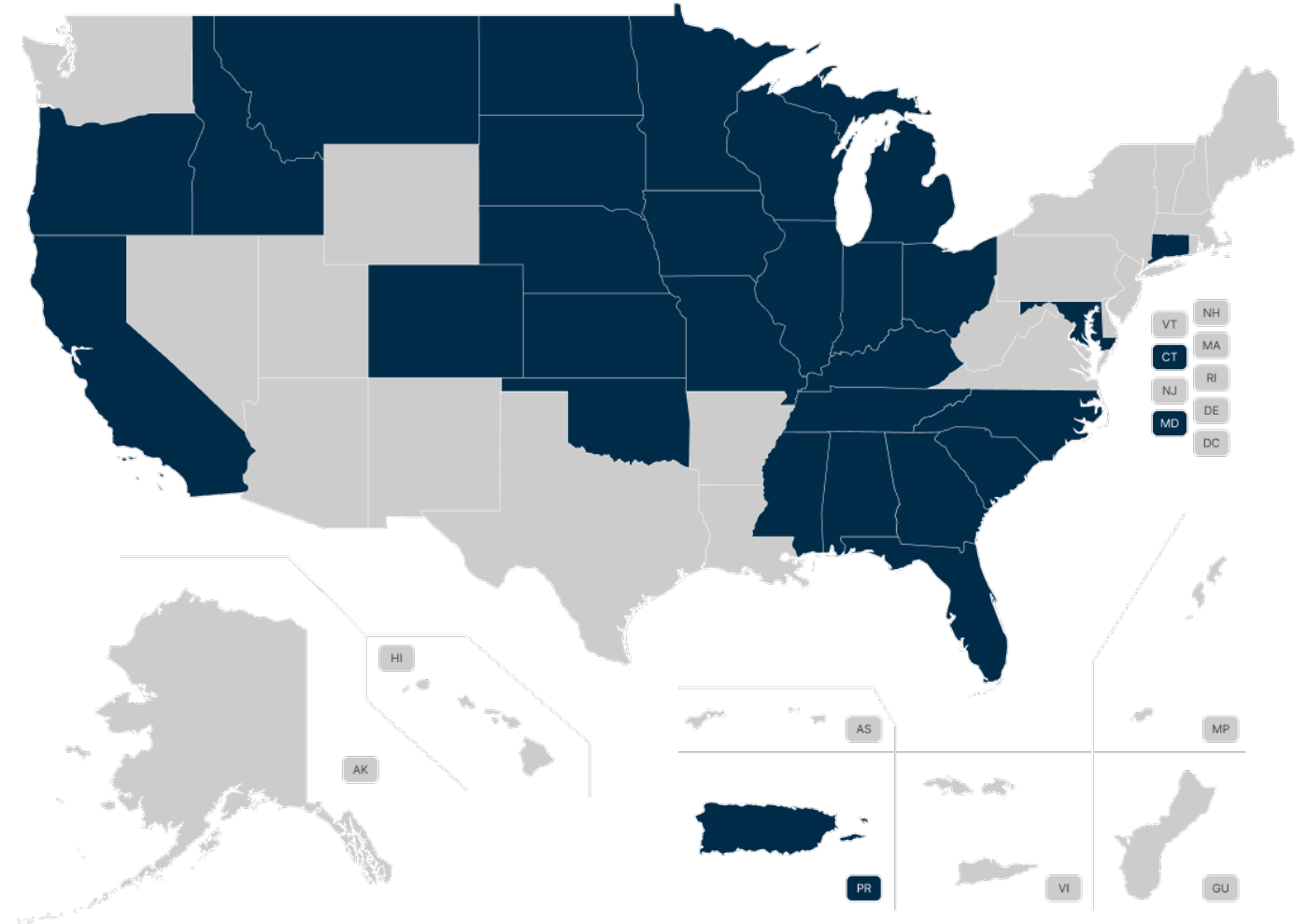
Bryan Hoge FSA, EA, FCA, MAAA
Principal and Consulting Actuary



- Founded in 2005
- Second largest actuarial consulting firm serving the public sector in the US*
- Focus on effective communication for our clients
- Dedicated staff with separate teams specializing in Pension and OPEB work

* Per 2023 Reason Foundation Report

- All sizes from townships to state-wide
- All membership types including:
 - Teachers
 - General
 - Public Safety
 - Utilities
- All plan designs
- All funding policies



PUBLIC SECTOR ORGANIZATIONS SUPPORT



Ed Koebel, CEO, is the pension educator for “Actuarial Principles” through the Certificate of Achievement in Public Plan Policy (CAPP) program of the International Foundation of Employee Benefit Plans.

Alisa Bennett, President, is on the Corporate Advisory Committee of the Public Healthcare Roundtable, is a CAPP educator and presented at the NCPERS Public Safety Conference.

Todd Green, President, serves on the Corporate Advisory Board of the National Council of Teachers Retirement (NCTR).

Larry Langer, Principal, serves on the Associate Advisory Committee of National Association of State Retirement Administrators (NASRA) and hosts “Actuary Hour” at MAPERS.

Brent Banister, Chief Actuary, serves on various committees with three major actuarial organizations as well as the joint committee which produced the LDRM Toolkit.

Wendy Ludbrook, Consulting Actuary, is a member of the committee that recently released the 2nd edition of the Issue Brief entitled “Actuarial Funding Policies and Practices for Public Pension Plans”.

OUR COMMUNICATIONS

CavMac communicates with others in the public sector retirement industry through various means. We produce our quarterly **CavMac CHRONICLE** so clients can keep up to date on trends. We are active on LinkedIn – follow us! And finally, visit our website at www.CavMacConsulting.com for news about CavMac.



FULL ARRAY OF ACTUARIAL SERVICES



GASB Annual Financial
Statements and Disclosures

Plan Factors for Retirement
Calculations

Attendance at Board Meetings

Consultation Services
Regarding Benefit or
Assumption Changes

Annual Employee Benefit
Statements



Experience Studies

Risk Analysis and Stress
Testing

Asset/Liability Forecasting

Actuarial Impact Statements
for Proposed Legislation

Medicare Part D Attestation

Premium Rate Setting for Self-
Funded Health Plans



Projection Modeling for
Pension and Retiree
Healthcare Plans

Plan Design Consulting
Services

Legislative Testimony

Knowledge of National Public
Sector Trends

Individual Benefit Calculations



Telephone or Video-
Conferencing at No Charge

Educational Training for Staff
and Board

Detailed Gain and Loss
Analysis

Review of DROP, PLOP and
Retirement Incentive Plans

Impact of Re-Employment of
Retirees

- Knowledge of current landscape for public plans
- Strong actuarial knowledge
- Ability to communicate with a variety of audiences
- Dedication to clients
- Awareness of the impact of our work
- Ability to work closely and be a team player

**EMPLOYEES' RETIREMENT
SYSTEM OF THE
CITY OF MILWAUKEE**



**ACTUARIAL VALUATION REPORT
OF THE 88TH ANNUAL
ACTUARIAL VALUATION
AS OF JANUARY 1, 2026
FOR DETERMINING
ACTUARIALLY DETERMINED
EMPLOYER CONTRIBUTIONS
FOR PLAN YEAR 2027**

SUBMITTED: MAY 21, 2026



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May 21, 2026

Annuity and Pension Board
Employees' Retirement System of the City of Milwaukee
789 North Water Street, Suite 300
Milwaukee, WI 53202

Members of the Board:

At your request, we performed this Eighty-Eighth Annual Actuarial Valuation of the Employees' Retirement System of the City of Milwaukee (referred to as "ERS" or "System") as of January 1, 2026 to be used for determining actuarially determined employer contributions for Plan Year 2027. For the purposes of this report, Plan Year 2027 refers to the allowable employer contribution window, as defined under Chapter 36 of the City Charter, beginning January 1, 2027 and ending December 31, 2027. The major findings of the valuation are contained in this report, which reflects the benefit provisions and funding policy in place on January 1, 2026.

The primary purposes of the valuation report are to determine the actuarially determined employer contribution for Plan Year 2027, to describe the current financial condition of ERS, and to analyze changes in such conditions. Use of this report for any other purposes, or by anyone other than ERS and its auditors, may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. The attached pages should not be provided without a copy of this cover letter. Because of the risk of misinterpretation of actuarial results, you should ask Cavanaugh Macdonald Consulting (CavMac) to review any statement you wish to make on the results contained in this report. CavMac will not accept any liability for any such statement made without prior review.

In preparing our report, we relied, without audit, on information (some oral and some in writing) supplied by ERS staff. This information includes, but is not limited to, statutory provisions, member data and financial information. Although reviewed for reasonableness and consistency with the prior valuation, these elements have not been audited by CavMac and we cannot certify as to the accuracy and completeness of the data supplied. The valuation results depend on the integrity of this information. If any of the information is inaccurate or incomplete, our results may be different, and our calculations may need to be revised. The valuation results are also based on the actuarial assumptions, benefit provisions and funding policy as disclosed in this report. If



you have reason to believe that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not disclosed, or that conditions have changed since the calculations were made, you should contact the authors of this actuarial report prior to relying on this information.

The Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix C. We believe that these assumptions are appropriate and reasonable and also comply with all applicable Actuarial Standards of Practice (ASOPs). We certify that all costs and liabilities have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the plan and reasonable expectations) and which, in combination, offer the best estimate of anticipated experience affecting the plan. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions.

In order to prepare the results in this report, we have utilized appropriate actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the necessary results. Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in plan provisions or applicable law. Due to the limited scope of this assignment, CavMac has not performed an analysis of the potential range of such future measurements.

Actuarial computations presented in this report are for purposes of evaluating the funding of the Plan and determining actuarially determined employer contributions for the following plan year. Actuarial computations for purposes of fulfilling financial accounting requirements under Governmental Accounting Standard Number 67 and 68 are provided in separate reports. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Plan's funding requirements and goals. Determinations for other purposes may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.



On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualifications Standards to render the actuarial opinions contained in this report. In addition, this report has been prepared in accordance with all applicable Actuarial Standards of Practice. We are available to answer questions about it or to provide additional information, as needed.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'LL', enclosed in a thin black rectangular border.

Larry Langer, ASA, EA, FCA, MAAA
Principal and Consulting Actuary

A handwritten signature in blue ink, appearing to read 'Aaron Chochon'.

Aaron Chochon, ASA, EA, FCA, MAAA
Consulting Actuary

A handwritten signature in blue ink, appearing to read 'Ryan Gundersen'.

Ryan Gundersen, ASA, FCA, MAAA
Consulting Actuary



SECTION I – EXECUTIVE SUMMARY

Introduction and Background

The law governing the Employees' Retirement System (ERS) requires the Actuary and Pension Board to "...prepare an annual valuation of the assets and liabilities of the funds of the retirement system" (Section 36-15-15 of the Milwaukee City Charter (MCC)). CavMac, the Actuary, has completed the eighty-eighth annual actuarial valuation of the ERS as of January 1, 2026. The primary purposes of performing a valuation are to:

- estimate the liabilities for future benefits expected to be paid by the System;
- determine the actuarially determined employer contributions required to fund the System on an actuarial basis in accordance with 2023 Wisconsin Act 12 (Act 12);
- disclose certain asset and liability measures, and the funded status, as of the valuation date;
- assess and disclose the key risks associated with funding the System;
- monitor any deviation between actual plan experience and experience projected by the actuarial assumptions, and
- analyze and report on any significant trends in contributions, assets and liabilities over the past several years.

Events Impacting this January 1, 2026 Actuarial Valuation for Determining Actuarially Determined Employer Contributions During Plan Year 2027

System Experience during 2025: System experience was mixed during 2025 as noted below:

- **Smoothed Investment Experience:** There was favorable investment experience on the market value of assets during calendar year 2025, resulting in a return on assets of 12.88% as reported by Northern Trust. Due to the asset smoothing method the return on the actuarial value of assets was 7.39%, which is above the assumed rate of return of 6.80% for 2025. This resulted in an actuarial gain on assets.
- **Liability Experience:** Liability gains (losses) result from actual experience that results in lower (higher) liability than expected based on the actuarial assumptions. Overall, there was unfavorable experience during 2025 for the System's liabilities, as expressed by a larger actuarial accrued liability than expected. The largest source of unfavorable experience was larger salary increases than assumed during 2025.
- **The Global Pension Settlement (GPS)** provides that members enrolled through June 28, 2000, must provide written consent to the ERS in order to be eligible for the benefit enhancements of GPS. Members enrolled after June 28, 2000 are automatically participants in the Combined Fund. Since the January 1, 2025 valuation, eight individuals who were eligible for ERS benefits as of June 28, 2000 – and who had not previously consented to GPS – have now consented. As a result, assets will be transferred from the non-consenter funds in which these members previously participated to the Combined Fund. Due to the small number of individuals who consented and the associated liability,





SECTION I – EXECUTIVE SUMMARY

this did not have a significant impact on the valuation results and we did not isolate the impact.

Fiscal Impact of Events

In this section, we discuss the fiscal impact of the events above on the UAAL, funded ratio and the actuarially determined employer contribution for CMERS.

A summary of the changes to the UAAL from the January 1, 2025 valuation to the January 1, 2026 valuation is shown in the table and discussion below:

	(\$ Millions)	
Unfunded Actuarial Accrued Liability as of 01/01/2025	\$	1,929.7
- Expected Change		(21.5)
- Actual Contributions Vs Actuarial Contributions		0.0
- Investment Experience		(26.7)
- Demographic Experience		51.5
- Other Experience		1.3
Unfunded Actuarial Accrued Liability as of 01/01/2026	\$	1,934.3

Due to the System’s funding policy, which utilizes a level-dollar amortization method, the UAAL was **expected** to decrease by \$21.5 million during 2025.

Actual contributions were equal to the actuarially determined employer contribution amount during Plan Year 2025. Contributions booked as current/short-term receivables are included as “actual contributions.”

There was favorable **investment experience** on the market value of assets during calendar year 2025, resulting in a return on assets of 12.88% as reported by Northern Trust. Due to the asset smoothing method the return on the actuarial value of assets was 7.39%, which is above the assumed rate of return of 6.80% for 2025. As a result, the unfunded actuarial accrued liability decreased by \$26.7 million. Due to the scheduled recognition of deferred asset experience during 2025, the net deferred investment loss of \$157 million in last year’s valuation has changed to a net deferred investment gain of \$156 million. Absent offsetting unfavorable experience in the future, the net deferred investment gain will increase the funded ratio and decrease the actuarially determined employer contribution as it flows through the asset smoothing method.

The purpose of conducting an actuarial valuation of a retirement system is to estimate the costs and liabilities for the benefits provided by the system, to determine the annual level of actuarially determined employer contributions required to support these benefits and, finally, to analyze the system’s actual experience as it compares with the actuarial assumptions used in the valuation. The costs and liabilities reported in the valuation depend not only upon the dollar amount of the benefits to be paid, but also upon factors such as mortality rates, termination rates, and retirement





SECTION I – EXECUTIVE SUMMARY

rates. The net liability **demographic experience** for the System during 2025 was an actuarial loss of \$51.5 million. The largest source of unfavorable experience was larger salary increases than assumed during 2025.

Other experience increased the UAAL by \$1.3 million. This includes the impact due to eight **GPS Non-consenters** who elected to participate in the Combined Fund during 2025. They represent about 4.0% of the total non-consenters. Due to the small number of individuals who consented and the associated liability, this did not have a significant impact on the valuation results and we did not isolate the impact above.

The **funded ratio** is the ratio of assets to the actuarial accrued liabilities of the System. Traditionally the measurement is based on the actuarial value of assets, but we have included the measurement on the market basis as well. For purposes of calculating the funded ratio, the Employer Reserve Fund is included in the System’s assets. Generally, increases in the UAAL result in decreases in the funded ratio. A summary of the changes to the funded ratio on both an actuarial and market basis from the January 1, 2025 valuation to the January 1, 2026 valuation is shown in the table and discussion below. Unless noted, our discussion focuses on the funded ratio based on actuarial value of assets:

	Funded Ratio Based On	
	Actuarial Value of Assets	Market Value of Assets
January 1, 2025 Funded Ratio	76.0%	74.1%
- Expected Change	0.6%	0.5%
- Actual Contributions Vs Actuarial Contributions	0.0%	0.0%
- Investment Experience	0.4%	4.3%
- Demographic Experience	(0.5%)	(0.5%)
- Other Experience	<u>0.0%</u>	<u>0.0%</u>
- Total change	0.5%	4.3%
January 1, 2026 Funded Ratio	76.5%	78.4%

Due to the System’s funding policy, the funded ratio was **expected** to increase by 0.6% during 2025. **Actual contributions** were equal to the actuarially determined employer contribution amount during Plan Year 2025. Contributions booked as current/short-term receivables are included as “actual contributions.”

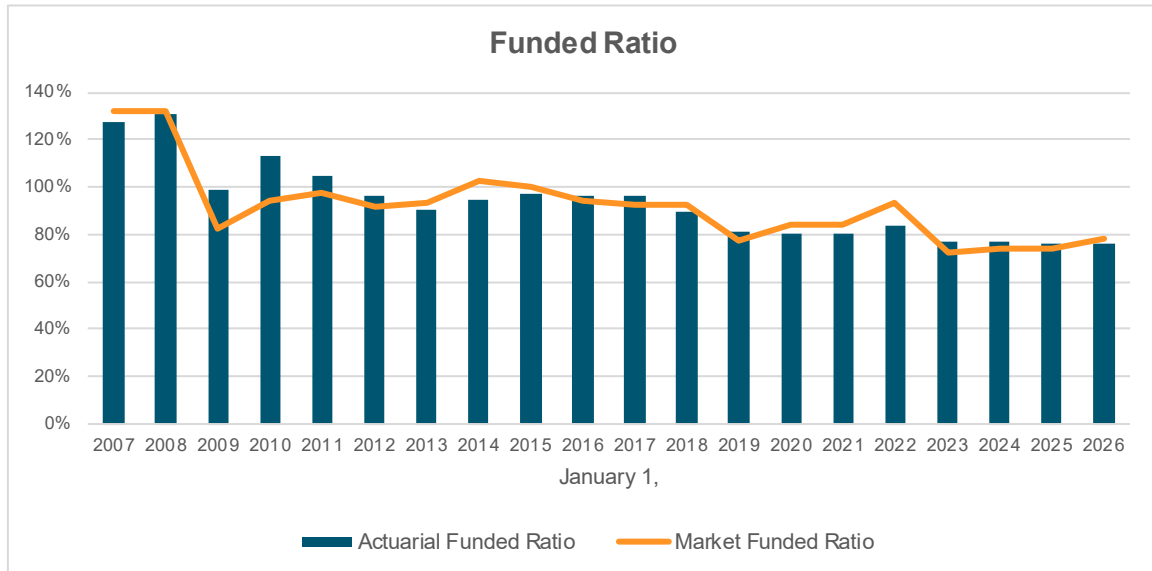
Investment experience on an actuarial, or smoothed, basis the funded ratio increased by 0.4% due to a 7.39% smoothed rate of return, which was more than the 6.80% expected return for 2025. On a market basis, the investment experience increased the funded ratio by 4.3% due to the 12.88% investment return during 2025. **Demographic experience** decreased the funded ratio by 0.5%, primarily due to salary increases greater than expected.





SECTION I – EXECUTIVE SUMMARY

The following graph shows the historical funded ratio using both the market value and actuarial value of assets.



Note that the funded ratio does not necessarily indicate whether or not additional funding is needed, nor does it indicate whether or not the plan has sufficient funds to settle all current obligations.

A summary of the changes in the **Actuarially Determined Employer Contributions** for the System is shown below:

	(\$ Millions)	
Actuarially Determined Employer Contribution for 2026 Plan Year	\$	239.2
- Expected Change		0.0
- Change in Employer Normal Cost		(0.7)
- Actual Contributions Vs Actuarial Contributions		0.0
- Investment Experience		(3.8)
- Demographic Experience		7.3
- Other Experience		0.8
Actuarially Determined Employer Contribution for 2027 Plan Year	\$	242.8

The actuarially determined employer contribution amount is **expected** to be stable from year-to-year due to the System's level-dollar UAAL amortization policy, with changes only expected to occur due to the elimination of amortization bases and changes in employer normal cost. **Actual contributions** were equal to the actuarially determined contribution amount.





SECTION I – EXECUTIVE SUMMARY

Investment experience on an actuarial, or smoothed, basis resulted in a decrease of \$3.8 million in the actuarially determined employer contribution as the actuarial return was above the assumed return of 6.80% for 2025. **Demographic experience** increased the actuarially determined employer contribution by \$7.3 million.

Other experience increased the actuarially determined employer contribution by \$0.8 million. This includes the impact due to eight **GPS Non-consenters** who elected to participate in the Combined Fund during 2025.

Summary of Key Valuation Results

This report, prepared as of January 1, 2026, presents the results of the eighty-eighth annual valuation of the System. The actuarially determined employer contributions for Plan Year 2027, which reflect the prescribed funding policy under 2023 Wisconsin Act 12 (Act 12), are summarized below:

Total Employer Contribution Across All Funds					
	Combined Fund	Retirement Fund	General Employees' Duty Disability Fund	Combined Retirement & Disability Fund	Total
Employer					
1) City of Milwaukee					
a) General*	\$54,571,001	\$3,754	\$33	\$158,955	\$54,733,743
b) Policemen	95,411,378	0	0	35,489	95,446,867
c) Firemen	47,505,942	0	0	52	47,505,994
d) Total City	\$197,488,321	\$3,754	\$33	\$194,496	\$197,686,604
2) Agencies					
a) Water Department	\$5,028,341	\$0	\$0	\$154	\$5,028,495
b) School Board	29,608,403	12,670	174	124,840	29,746,087
c) Milwaukee Technical College	194,667	0	0	0	194,667
d) Sewerage Commission	5,808,887	0	0	4,373	5,813,260
e) Veolia	1,443,305	0	0	0	1,443,305
f) Wisconsin Center District	1,087,653	0	0	2,273	1,089,926
g) Housing Authority	1,839,397	0	0	2,047	1,841,444
h) Total	\$45,010,653	\$12,670	\$174	\$133,687	\$45,157,184
3) Total System: 1d + 2h	\$242,498,974	\$16,424	\$207	\$328,183	\$242,843,788

* Includes Elected Officials and Redevelopment Authority

Note: Amounts shown as of January 1, 2027. Interest accrues at 6.80% for contributions made after January 1, 2026.





SECTION I – EXECUTIVE SUMMARY

Key Takeaways

- Due to favorable investment experience during 2025 and the scheduled recognition of deferred asset experience, the net deferred investment loss (actuarial value of assets greater than market value) of \$157 million in last year's valuation has changed to a net deferred investment gain of \$156 million in the current valuation. Absent offsetting unfavorable experience in the future, the net deferred investment gain will increase the funded ratio and decrease the actuarially determined employer contribution as it flows through the asset smoothing method. While this will have a positive impact on future valuation results, other actuarial experience may offset the impact of the deferred investment gains.
- There was an actuarial loss on the System's liabilities due to actual experience during 2025 that resulted in higher liabilities than expected based on the actuarial assumptions. The largest source of unfavorable experience was salary increases greater than assumed during 2025. Actuarial gains due to favorable investment experience served to soften the impact of these losses. The net impact of the asset and liability experience was an increase of \$24.8 million the System's UAAL, a decrease of 0.1% in the funded ratio, and an increase of \$3.5 million in the required employer contribution for Plan Year 2027.
- The total pension costs eligible to be paid for by Act 12 sales tax proceeds for Plan Year 2027 is \$159.4 million. Under Act 12, no more than 90% of the 2024 sales tax proceeds (\$200.6 million) can be used to pay for eligible pension costs in any Plan Year. The maximum allowable pension cost relief under Act 12 of \$180.6 million (90% of \$200.6 million) is \$21.2 million more than the total eligible costs for Plan Year 2027 (see Table 20).

At the February 27, 2023 Annuity and Pension Board meeting, one of our recommendations, which the Annuity and Pension Board adopted, was the use of a 10-year level dollar amortization of the UAAL if CMERS was closed. However, Act 12 prescribed a 30-year amortization of the January 1, 2024 UAAL, which is inconsistent with our recommendation. While not required under ASOP 4, we will be disclosing the actuarially determined employer contribution based on our pre-Act 12 recommendation of a closed 10-year amortization period using level dollar payments as adopted by the Annuity and Pension Board. Under a 10-year level dollar amortization policy, the actuarially determined employer contribution would increase by \$98.9 million, from \$242.8 million to \$341.7 million.





SECTION I – EXECUTIVE SUMMARY

A typical retirement plan faces many different risks. The term “risk” is most commonly associated with an outcome with undesirable results. However, in the actuarial world risk can be translated as uncertainty. The actuarial valuation process uses many actuarial assumptions to project how future actuarially determined employer contributions and investment returns will meet the cash flow needs for future benefit payments. Of course, we know that actual experience will not unfold exactly as anticipated by the assumptions and that uncertainty, whether favorable or unfavorable, creates risk. Actuarial Standard of Practice Number 51 defines risk as the potential of actual future measurements to deviate from expected results due to actual experience that is different than the actuarial assumptions. Risk evaluation is an important part of managing a defined benefit plan. Please see the Risk Considerations section of this report for an in-depth discussion of the specific risks facing CMERS.

We conclude this executive summary by presenting comparative statistics and actuarial information from both the January 1, 2025 and this January 1, 2026 valuations.





SECTION I – EXECUTIVE SUMMARY

SUMMARY OF PRINCIPAL RESULTS

	January 1, 2026	January 1, 2025	% Change
1. Membership Data			
a. Active Members			
(i) Count			
- General Employees	6,214	6,941	(10.5%)
- Policemen	1,407	1,495	(5.9%)
- Firemen	<u>675</u>	<u>683</u>	(1.2%)
- Total	8,296	9,119	(9.0%)
(ii) Total Estimated Payroll			
- General Employees	\$389,484,000	\$411,922,000	(5.4%)
- Policemen	137,918,000	134,198,000	2.8%
- Firemen	<u>63,240,000</u>	<u>58,788,000</u>	7.6%
- Total	\$590,642,000	\$604,908,000	(2.4%)
b. Retirees and Beneficiaries			
(i) Number	13,953	13,901	0.4%
(ii) Total Annual Benefits	\$492,866,000	\$479,552,000	2.8%
(iii) Average Annual Benefit	\$35,323	\$34,498	2.4%
2. Assets and Liabilities			
a. Asset Values			
(i) Actuarial Value of Assets (AVA)	\$6,302,321,000	\$6,112,957,000	3.1%
(ii) Market Value of Assets (MVA)	\$6,458,509,000	\$5,955,819,000	8.4%
b. Actuarial Accrued Liability (AAL)	\$8,236,636,000	\$8,042,693,000	2.4%
c. Funded Status			
(i) Unfunded AAL (Based on AVA)	\$1,934,315,000	\$1,929,736,000	0.2%
(ii) Funded Ratio (Based on AVA)	76.5%	76.0%	0.7%
(iii) Unfunded AAL (Based on MVA)	\$1,778,127,000	\$2,086,874,000	(14.8%)
(iv) Funded Ratio (Based on MVA)	78.4%	74.1%	5.8%
3. Total Employer Contribution (All Funds)*	Due 01/01/2027	Due 01/01/2026	
1) City of Milwaukee			
a) General*	\$54,733,743	\$55,444,871	(1.3%)
b) Policemen	95,446,867	92,791,402	2.9%
c) Fire	<u>47,505,994</u>	<u>45,649,109</u>	4.1%
d) City Subtotal	\$197,686,604	\$193,885,382	2.0%
2) Agencies			
a) Water Department	\$5,028,495	\$5,109,285	(1.6%)
b) School Board	29,746,087	29,990,515	(0.8%)
c) Milwaukee Technical College	194,667	215,729	(9.8%)
d) Sewerage Commission	5,813,260	5,559,084	4.6%
e) Veolia	1,443,305	1,464,419	(1.4%)
f) Wisconsin Center District	1,089,926	1,053,570	3.5%
g) Housing Authority	<u>1,841,444</u>	<u>1,915,565</u>	(3.9%)
3) Total	\$242,843,788	\$239,193,549	1.5%

* Interest accrues at 6.80% per year for contributions made after the due date shown above.





SECTION II – SCOPE OF THE REPORT

This report presents the actuarial valuation of the Employees' Retirement System of the City of Milwaukee as of January 1, 2026, and reflects the statutory changes brought forth under Act 12, as well as any subsequent actions taken by the Annuity and Pension Board. This valuation was prepared at the request of the System's Annuity and Pension Board. The report is based on the funding policy, plan provisions, actuarial assumptions, and actuarial methods in effect as of January 1, 2026.

Please pay particular attention to our cover letter, where the guidelines employed in the preparation of this report are outlined. We also comment on the sources and reliability of both the data and the actuarial assumptions upon which our findings are based. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief.

A summary of the findings resulting from this valuation is presented in the previous section. Section III summarizes the membership data as of the valuation date. Section IV describes the assets and investment experience of the System. Section V discloses the obligations (liabilities) of the System and Section VI includes the calculation of actuarially determined employer contributions for the following plan year. Section VII discloses key maturity measurements and discusses the key risks facing the funding of the System.

This report includes several appendices:

- Appendix A Schedules of valuation data classified by various categories of members.
- Appendix B A summary of the current benefit structure, as determined by the provisions of governing law on the valuation date.
- Appendix C A summary of the actuarial methods and assumptions used to estimate liabilities and determine actuarially determined employer contributions.
- Appendix D A glossary of actuarial terms.





SECTION II – SCOPE OF THE REPORT

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SECTION III – MEMBER DATA SUMMARY

TABLE 1

MEMBER COUNTS BY VESTED STATUS

Number of Members	1/1/2026			1/1/2025
	Vested	Non-Vested	Total	Total
Active				
- General Employees	4,973	1,241	6,214	6,941
- Policemen	1,241	166	1,407	1,495
- Firemen	<u>548</u>	<u>127</u>	<u>675</u>	<u>683</u>
- Total Active Members	6,762	1,534	8,296	9,119
Inactive				
- Deferred Retirees			3,679	3,732
- Refunds Payable			<u>2,266</u>	<u>2,471</u>
- Total Inactive Members			5,945	6,203
Benefit Recipients				
- Combined Fund				
General Employees			9,778	9,756
Policemen			2,731	2,709
Firemen			<u>1,430</u>	<u>1,423</u>
- Combined Fund Subtotal			13,939	13,888
- Retirement Fund			14	13
- Duty Disability Funds				
General Employees			0	0
Policemen			0	0
Firemen			<u>0</u>	<u>0</u>
- Duty Disability Funds Subtotal			0	0
- Firemen's Heart & Lung Fund			<u>0</u>	<u>0</u>
- Total Benefit Recipients			13,953	13,901
Total Membership			28,194	29,223

Note: Members are vested once they attain four years of service.





SECTION III – MEMBER DATA SUMMARY

TABLE 2

MEMBER COUNTS BY CONSENT STATUS

Number of Members	1/1/2026 Membership		
	Consenters	Others	Total
Active			
- General Employees	6,187	27	6,214
- Policemen	1,406	1	1,407
- Firemen	<u>675</u>	<u>0</u>	<u>675</u>
- Total Active Members	8,268	28	8,296
Inactive			
- Deferred Retirees	3,516	163	3,679
- Refunds Due	<u>2,264</u>	<u>2</u>	<u>2,266</u>
- Total Inactive Members	5,780	165	5,945
Benefit Recipients			
- Combined Fund	13,939	NA	13,939
- Retirement Fund	NA	14	14
- Duty Disability Funds			
General Employees	0	0	0
Policemen	0	0	0
Firemen	<u>0</u>	<u>0</u>	<u>0</u>
- Duty Disability Funds Subtotal	0	0	0
- Firemen's Heart & Lung Fund	<u>0</u>	<u>0</u>	<u>0</u>
- Total Benefit Recipients	13,939	14	13,953
Total Membership	27,987	207	28,194

Note: Active members who worked fewer than 100 hours in the prior year, but who have not officially terminated employment are included in the count of inactives in Table 1 and Table 2. These members are not assumed to earn additional service in future years.





SECTION III – MEMBER DATA SUMMARY

TABLE 3

MEMBER DATA SUMMARY

	1/1/2026	1/1/2025
Projected Annual Earnings		
- General Employees	\$ 389,484,000	\$ 411,922,000
- Policemen	137,918,000	134,198,000
- Firemen	63,240,000	58,788,000
- Total Projected Annual Earnings	\$ 590,642,000	\$ 604,908,000
Average Projected Earnings		
- General Employees	\$ 62,678	\$ 59,346
- Policemen	\$ 98,023	\$ 89,765
- Firemen	\$ 93,689	\$ 86,073
Current Annual Benefit Payments		
- Combined Fund	\$ 492,498,000	\$ 479,243,000
- Retirement Fund	\$ 368,000	\$ 309,000
- Duty Disability Funds		
General Employees	\$ 0	\$ 0
Policemen	0	0
Firemen	0	0
- Duty Disability Funds Subtotal	\$ 0	\$ 0
- Firemen's Heart & Lung Fund	\$ 0	\$ 0
- Total Benefit Payments	\$ 492,866,000	\$ 479,552,000

Notes: (1) "Projected Annual Earnings" represents the expected pensionable compensation for the year following the valuation date.

(2) "Annual Benefit Payments Currently Being Made" equals 12 times the full December monthly payment. The amounts shown include all amounts payable by the ERS and have been reduced by workers' compensation offsets for members who are currently repaying a workers' compensation award.





SECTION III – MEMBER DATA SUMMARY

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SECTION IV – ASSET DATA

In many respects, an actuarial valuation can be thought of as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is January 1, 2026. On that date, the assets available for the payment of benefits are appraised. The assets are compared with the liabilities of the System, which are generally in excess of assets. The actuarial process then leads to a method of determining the actuarially determined employer contributions needed by members and the employer in the future to balance the System's assets and liabilities.

Market Value of Assets

The current market value represents the "snapshot" or "cash-out" value of System assets as of the valuation date. In addition, the market value of assets provides a basis for measuring investment performance during the year. Table 4 summarizes the change in the market value of assets from January 1, 2025 to January 1, 2026.

Actuarial Value of Assets

Neither the market value of assets, representing a "cash-out" value of System assets, nor the book values of assets, representing the cost of investments, may be the best measure of the System's ongoing ability to meet its obligations.

To arrive at a suitable value of assets for the actuarial valuation, a technique for determining the actuarial value of assets is used which dampens swings in the market value while still indirectly recognizing market values. Under the asset smoothing methodology, the difference between the actual and assumed investment return on the market value of assets is recognized evenly over a five-year period.

Table 5 shows the development of the actuarial value of assets as of the valuation date.





SECTION IV – ASSET DATA

TABLE 4

MARKET VALUE OF ASSETS
(\$ Thousands)

	Global Combined Fund	Retirement Fund	Combined Retirement Fund	General Employees' Duty Disability Fund	Employers' Reserve Fund	Total
1. Market Value of Assets as of January 1, 2025	\$ 5,849,890	\$ 9,259	\$ 7,163	\$ 59	\$ 89,448	\$ 5,955,819
2. Transfer of Assets as of January 1, 2025	\$ 298	\$ (298)	\$ 0	\$ 0	\$ 0	\$ 0
3. Contributions During Year						
a. Member	\$ 33,627	\$ 0	\$ 1	\$ 0	\$ 0	\$ 33,628
b. Employer	220,657	20	263	0	0	220,940
c. Total	\$ 254,284	\$ 20	\$ 264	\$ 0	\$ 0	\$ 254,568
4. Disbursements During Year						
a. Monthly Annuities	\$ 493,161	\$ 64	\$ 73	\$ 0	\$ 0	\$ 493,298
b. Refunds	4,465	0	13	0	0	4,478
c. Administrative Expenses	10,126	0	0	0	0	10,126
d. Total	\$ 507,752	\$ 64	\$ 86	\$ 0	\$ 0	\$ 507,902
5. Investment Return (net of Investment Expenses)	\$ 749,225	\$ 1,270	\$ 1,014	\$ 9	\$ 4,506	\$ 756,024
6. Market Value of Assets as of December 31, 2025 (1) + (2) + (3c) - (4d) + (5)	\$ 6,345,945	\$ 10,187	\$ 8,355	\$ 68	\$ 93,954	\$ 6,458,509
7. Rate of Return, as Reported by Northern Trust (ERS' Custodian)						12.88%





SECTION IV – ASSET DATA

TABLE 5

ACTUARIAL VALUE OF ASSETS (\$ Thousands)

1. Market Value of Assets Available for Benefit Payments on January 1, 2025*	\$	5,866,371
2. Contributions During 2025**		254,568
3. Benefit Payments and Administrative Expenses During 2025**		(507,902)
4. Expected Investment Income at 6.80% on (1), (2) and (3)		399,239
5. Expected Market Value of Assets Available for Benefit Payments on January 1, 2026	\$	<u>6,012,276</u>
6. Market Value of Assets Available for Benefit Payments on January 1, 2026*	\$	6,364,555
7. Excess/(Shortfall) of Investment Income		
a. Year Ending 12/31/25: (6) - (5)	\$	352,279
b. Year Ending 12/31/24		24,145
c. Year Ending 12/31/23		180,438
d. Year Ending 12/31/22		(1,061,487)
e. Year Ending 12/31/21		699,388
8. Deferral of Excess/(Shortfall) of Investment Income		
a. Year Ending 12/31/25 (80.0%)	\$	281,823
b. Year Ending 12/31/24 (60.0%)		14,487
c. Year Ending 12/31/23 (40.0%)		72,175
d. Year Ending 12/31/22 (20.0%)		(212,297)
e. Year Ending 12/31/21 (0.0%)		0
f. Total	\$	<u>156,188</u>
10. Preliminary Actuarial Value of Assets on January 1, 2026 (6) - (8f)	\$	6,208,367
11. Employers' Reserve Fund on January 1, 2026	\$	93,954
12. Final Actuarial Value of Assets on January 1, 2026 (10) + (11)	\$	6,302,321
13. Total Market Value of Assets on January 1, 2026	\$	6,458,509
14. Actuarial Value Divided by Market Value (12) ÷ (13)		97.6%
15. Estimated Rate of Return		7.39%

* Excludes the Employers' Reserve Fund.

** Excludes cash flows, if any, from the Employers' Reserve Fund.





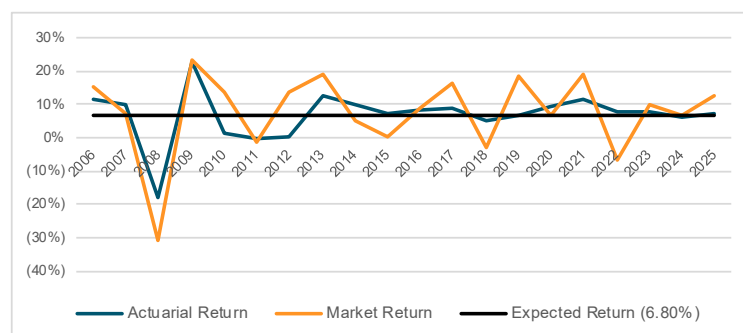
SECTION IV – ASSET DATA

**TABLE 6
HISTORICAL ASSET RETURNS**

The table below provides a history of the rate of return on the actuarial value and market value of assets. The current assumed rate of return is 6.80%. Note that the System utilized a 10% asset corridor prior to 2009, which impacted the calculation of the actuarial value of assets and, therefore, the return on the actuarial value of assets. Rates of return on a market value basis are provided by the System's custodian, Northern Trust.

Year	Actuarial Value of Assets	Market Value of Assets
2006	11.83%	15.13%
2007	10.17%	7.21%
2008	(17.88%)	(30.84%)
2009	22.62%	23.30%
2010	1.34%	13.86%
2011	(0.09%)	(1.43%)
2012	0.43%	13.88%
2013	12.85%	19.29%
2014	9.91%	5.09%
2015	7.00%	0.54%
2016	8.33%	8.83%
2017	9.09%	16.38%
2018	5.33%	(2.91%)
2019	6.94%	18.44%
2020	9.22%	6.62%
2021	11.76%	18.89%
2022	7.60%	(6.49%)
2023	7.64%	9.98%
2024	6.01%	6.85%
2025	7.39%	12.88%
Average*	6.59%	7.02%
Max	22.62%	23.30%
Min	(17.88%)	(30.84%)
Range	40.50%	54.14%

Note: Rates of return on Actuarial Value of Assets prior to 2018 were provided by the prior actuary.
* Average is calculated on a geometric basis.





SECTION IV – ASSET DATA

TABLE 7

ALLOCATION OF ASSETS AMONG FUNDS
(\$ Thousands)

As part of the financial statements, the System provides a breakdown of the total market value of assets by Fund. The Employer Reserve Fund and Security Lending Fund are valued at market value for actuarial purposes and earmarked for specific purposes other than directly funding the benefits of the System’s members. The actuarial value of assets is determined in total and then adjusted by subtracting the Employer Reserve Fund and Security Lending Fund. The remaining actuarial value of assets is then allocated to each Fund based on its portion of the total market value.

Fund	Market Value	Actuarial Value
1. Combined Fund	\$ 6,345,945	\$ 6,190,214
2. Employers' Reserve Fund	\$ 93,954	\$ 93,954
3. Retirement Fund	\$ 10,187	\$ 9,937
4. General Employees' Duty Disability Fund	\$ 68	\$ 66
5. Fire & Police Duty Disability Fund	\$ 0	\$ 0
6. Firemen's Heart & Lung Fund	\$ 0	\$ 0
7. Combined Retirement & Disability Fund	\$ 8,355	\$ 8,150
9. Total All Funds	\$ 6,458,509	\$ 6,302,321

Notes: Values shown include January 1, 2026 contributions receivable.





SECTION IV – ASSET DATA

TABLE 8
ALLOCATIONS BETWEEN NON-CONSENSERS WHO CONSENTED TO GPS DURING 2025 AND THOSE WHO DID NOT
 (\$ Thousands)

The Global Pension Settlement (GPS) provides that members enrolled through June 28, 2000 must provide written consent to the ERS in order to be eligible for the benefit enhancements of GPS. Members enrolled after June 28, 2000 are automatically participants in the Combined Fund. Since the January 1, 2025 valuation, eight individuals who were eligible for ERS benefits as of June 28, 2000 – and who had not previously consented to GPS – have now consented.

GPS provides that the market value of the assets in the funds for Non-Consenters be divided among Consenters and Non-Consenters. The division is based on the actuarial accrued liability covered by each fund under the pre-GPS plan provisions. The required division of assets for members who consented during 2025 was calculated as of January 1, 2025. As a result, assets will be transferred from the non-consenter Funds in which these members previously participated to the Global Combined Fund, as shown below.

Fund	Allocation of 1/1/2025 Market Value of Assets in Funds for Non-Consenters in Proportion to 1/1/2025 Actuarial Accrued Liability			Allocation of Plan Year 2026 Employer Contribution to Funds for Non-Consenters in Proportion to 1/1/2025 Actuarial Accrued Liability		
	Consenters in 2025	Others	Total (Audited)	Consenters in 2025	Others	Total
1. Retirement Fund	\$ 845	\$ 8,414	\$ 9,259	\$ 2	\$ 18	\$ 20
2. General Employees' Duty Disability Fund	0	59	59	0	0	0
3. Fire & Police Duty Disability Fund	0	0	0	0	0	0
4. Firemen's Heart & Lung Fund	0	0	0	0	0	0
5. Combined Retirement & Disability Fund	458	6,705	7,163	23	334	357
6. Total Funds for Non-Consenters	\$ 1,303	\$ 15,178	\$ 16,481	\$ 25	\$ 352	\$ 377

Notes: (i) January 1, 2025 assets allocated to members who consented to Global Settlement during 2025 are transferred to the Combined Fund as of January 1, 2025.
 (ii) Plan Year 2026 Employer Contributions allocated to members who consented to Global Settlement during 2025 are credited to the Combined Fund instead of to the funds for non-consenters.





SECTION V – SYSTEM LIABILITIES

In the previous section, an actuarial valuation was compared with an inventory process, and an analysis was given of the inventory of the System's assets as of the valuation date, January 1, 2026. In this section, the discussion will focus on the commitments (future benefit payments) of the System, which are referred to as its liabilities. All liabilities reflect the benefit provisions in place as of January 1, 2026.

Present Value of All Future Benefits (PVFB)

Table 9 contains an analysis of the actuarial present value of all future benefits (PVFB) for contributing members, inactive members, retirees and their beneficiaries.

The liabilities summarized in Table 9 include the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this value includes the measurement of both benefits already earned and future benefits to be earned. For all members, active and retired, the value extends over benefits earnable and payable for the rest of their lives and for the lives of the surviving beneficiaries.

Actuarial Accrued Liability (AAL)

A fundamental principle in financing the liabilities of a retirement program is that the cost of its benefits should be related to the period in which benefits are earned, rather than to the period of benefit distribution. An actuarial cost method is a mathematical technique that allocates the present value of future benefits into annual costs. In order to do this allocation, it is necessary for the funding method to “breakdown” the present value of future benefits into two components:

- (1) that which is attributable to the past and
- (2) that which is attributable to the future.

Actuarial terminology calls the part attributable to the past the “past service liability” or the “actuarial accrued liability” or “AAL”. The portion allocated to the future is known as the present value of future normal costs, with the specific piece of it allocated to the current year being called the “normal cost.” Table 9 contains the calculation of actuarial accrued liability for the System. The Entry Age Normal actuarial cost method is used to develop the actuarial accrued liability.





SECTION V – SYSTEM LIABILITIES

TABLE 9

ACTUARIAL ACCRUED LIABILITY BY EMPLOYER
(\$ Thousands)

	General City*	Water Department	School Board	Milwaukee Technical College	Sewerage Commission	Veolia	Wisconsin Center District	Housing Authority	Policemen	Firemen	Total
1. Present Value of Future Benefits for Active Members											
a. Retirement Benefits	686,844	64,101	408,059	0	66,711	3,757	14,889	14,581	1,042,977	443,264	2,745,183
b. Withdrawal Benefits	42,447	4,219	28,310	0	5,092	0	1,584	664	17,313	5,860	105,489
c. Disability Benefits	11,474	1,167	6,984	0	1,240	7	345	194	24,300	49,062	94,773
d. Death Benefits	8,427	923	4,740	0	927	24	248	170	6,109	3,440	25,008
Total	749,192	70,410	448,093	0	73,970	3,788	17,066	15,609	1,090,699	501,626	2,970,453
2. Present Value of Future Normal Costs	198,260	20,527	120,919	0	21,548	190	6,552	3,266	347,381	197,789	916,432
3. Actuarial Accrued Liability (AAL) for Active Members (1) - (2)	550,932	49,883	327,174	0	52,422	3,598	10,514	12,343	743,318	303,837	2,054,021
4. Present Value of Future Benefits for Inactive Members											
- Members with Deferred Benefits	62,805	4,354	57,383	0	4,517	0	2,509	5,126	52,437	10,520	199,651
- Members with Refunds Payable	1,591	121	2,292	0	58	0	47	76	331	85	4,601
- Retirees, Beneficiaries and Disabled Members	1,336,286	118,119	622,126	10,174	158,770	65,709	18,196	57,983	2,369,115	1,221,885	5,978,363
Total	1,400,682	122,594	681,801	10,174	163,345	65,709	20,752	63,185	2,421,883	1,232,490	6,182,615
5. Total Actuarial Accrued Liability (3) + (4)	1,951,614	172,477	1,008,975	10,174	215,767	69,307	31,266	75,528	3,165,201	1,536,327	8,236,636

* Includes Elected Officials and Redevelopment Authority





SECTION V – SYSTEM LIABILITIES

TABLE 10

FUNDED STATUS ON ACTUARIAL AND MARKET VALUE BY FUND
(\$ Thousands)

Fund	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Market Value of Assets (MVA)	Unfunded Actuarial Accrued Liability Based on AVA (UAAL)	Unfunded Actuarial Accrued Liability Based on MVA (UAAL)	Percent Funded Based on AVA	Percent Funded Based on MVA
1. Combined Fund	\$ 8,221,001	\$ 6,190,214	\$ 6,345,945	\$ 2,030,787	\$ 1,875,056	75.3%	77.2%
2. Employers' Reserve Fund	0	93,954	93,954	(93,954)	(93,954)	N/A	N/A
3. Retirement Fund	5,271	9,937	10,187	(4,666)	(4,916)	188.5%	193.3%
4. General Employees' Duty Disability Fund	4	66	68	(62)	(64)	1650.0%	1700.0%
5. Fire & Police Duty Disability Fund	0	0	0	0	0	N/A	N/A
6. Firemen's Heart & Lung Fund	0	0	0	0	0	N/A	N/A
7. Combined Retirement & Disability Fund	10,360	8,150	8,355	2,210	2,005	78.7%	80.6%
8. Total All Funds	\$ 8,236,636	\$ 6,302,321	\$ 6,458,509	\$ 1,934,315	\$ 1,778,127	76.5%	78.4%





SECTION V – SYSTEM LIABILITIES

TABLE 11

ACTUARIAL BALANCE SHEET AS OF JANUARY 1, 2026

The valuation balance sheet shows the assets and liabilities of ERS (in total, all employers and all Funds). The items shown in the balance sheet are present values actuarially determined as of the current valuation date.

ASSETS			
Actuarial Value of Assets		\$	6,302,321,000
Unfunded Actuarial Accrued Liability			1,934,315,000
Present Value of Future Normal Costs		\$	<u>916,432,000</u>
Total Assets		\$	9,153,068,000
LIABILITIES			
Present Value of Future Benefits			
Active members			
Retirement	\$	2,745,183,000	
Withdrawal		105,489,000	
Disability		94,773,000	
Death		<u>25,008,000</u>	
Total		\$	2,970,453,000
Inactive members			204,252,000
Retirees, disabilities and beneficiaries			<u>5,978,363,000</u>
Total Liabilities		\$	9,153,068,000





SECTION V – SYSTEM LIABILITIES

TABLE 12

CALCULATION OF ACTUARIAL GAIN/(LOSS)

The overall actuarial gain/(loss) is comprised of both a liability gain/(loss) and an actuarial asset gain/(loss). Each of these represents the difference between the expected and actual values as of January 1, 2026.

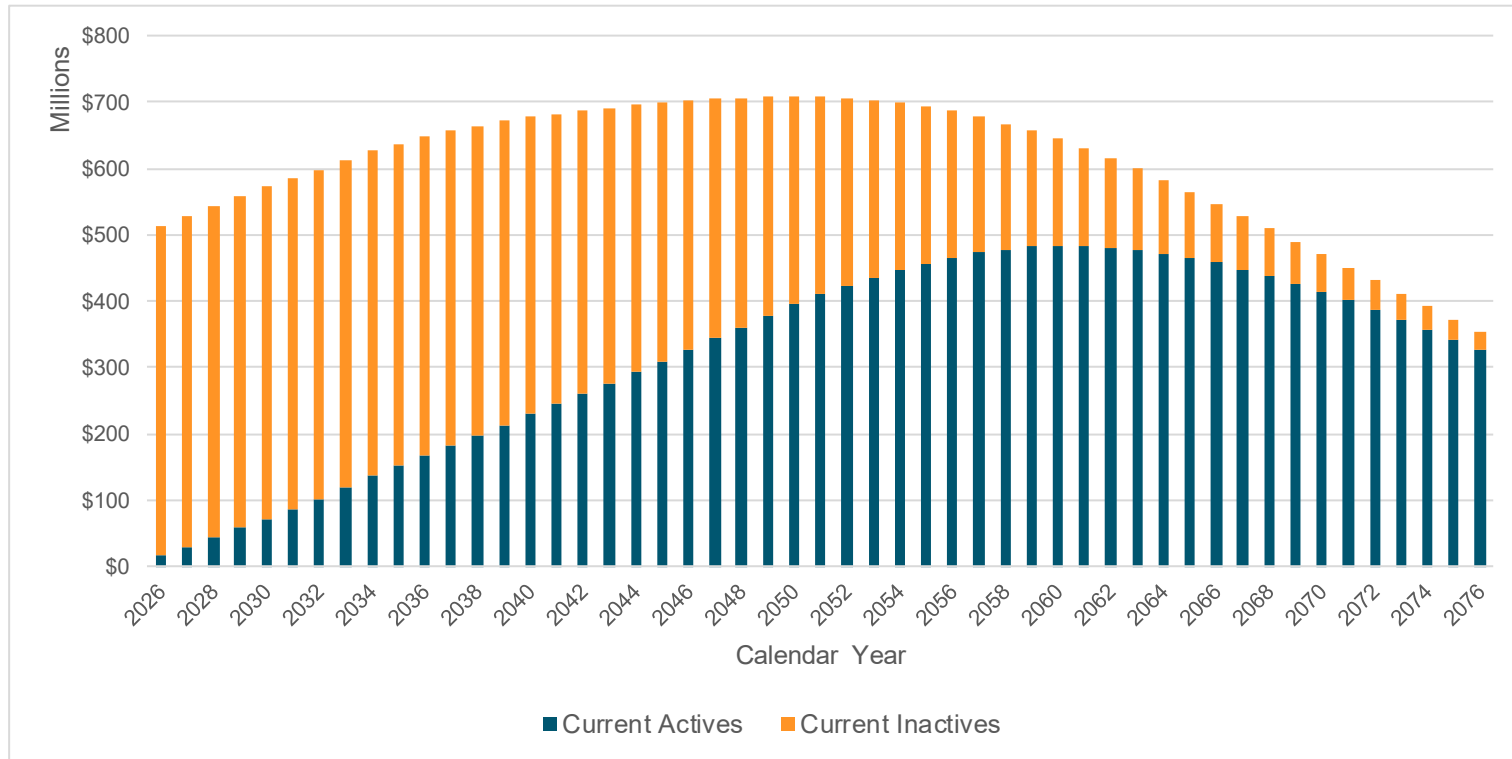
Liabilities	
1. Actuarial Accrued Liability as of January 1, 2025	\$8,042,693,000
2. Normal Cost During 2025	103,003,000
3. Benefit Payments During 2025	(497,776,000)
4. Interest on (1), (2) and (3) at 6.80%	537,261,000
5. Expected Actuarial Accrued Liability as of January 1, 2026	\$8,185,181,000
6. Actuarial Accrued Liability as of January 1, 2026	\$8,236,636,000
Assets	
7. Actuarial Value of Assets as of January 1, 2025	\$6,112,957,000
8. Contributions During 2025	254,568,000
9. Benefit Payments and Administrative Expenses During 2025	(507,902,000)
10. Interest on (7), (8) and (9) at 6.80%	416,007,000
11. Expected Actuarial Value of Assets as of January 1, 2026	\$6,275,630,000
12. Actuarial Value of Assets as of January 1, 2026	\$6,302,321,000
Gain / (Loss)	
13. Liability Gain/(Loss) (5) - (6)	(\$51,455,000)
14. Asset Gain/(Loss) (12) - (11)	\$26,691,000
15. Total Gain/(Loss) (13) + (14)	(\$24,764,000)



SECTION V – SYSTEM LIABILITIES

TABLE 13

EXPECTED BENEFIT PAYMENTS



Note: Cash flows are the expected future non-discounted payments to current members. These numbers exclude refund payouts to current non-vested inactive members and assume all actuarial assumptions are met in the future, including the retirement assumption.





SECTION V – SYSTEM LIABILITIES

TABLE 14

SCHEDULE OF FUNDING PROGRESS
(\$ Thousands)

Valuation as of January 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio
2008	\$ 5,192,000	\$ 3,958,061	\$ 0	131.2%
2009	4,076,297	4,113,089	36,792	99.1%
2010	4,814,402	4,269,324	0	112.8%
2011	4,641,425	4,447,548	0	104.4%
2012	4,404,635	4,587,915	183,280	96.0%
2013	4,259,889	4,689,814	429,925	90.8%
2014	4,580,729	4,831,689	250,960	94.8%
2015	4,797,437	4,935,482	138,045	97.2%
2016	4,899,155	5,065,141	165,986	96.7%
2017	5,055,700	5,259,300	203,600	96.1%
2018	5,233,486	5,819,762	586,276	89.9%
2019	5,219,184	6,400,901	1,181,717	81.5%
2020	5,285,205	6,597,457	1,312,252	80.1%
2021	5,440,867	6,745,299	1,304,432	80.7%
2022	5,734,986	6,875,927	1,140,941	83.4%
2023	5,847,404	7,067,109	1,219,705	82.7%
2023*	5,847,404	7,631,007	1,783,603	76.6%
2024	6,008,486	7,829,371	1,820,885	76.7%
2025	6,112,957	8,042,693	1,929,736	76.0%
2026	6,302,321	8,236,636	1,934,315	76.5%

* Due to the passage of 2023 Wisconsin Act 12, the investment return assumption was lowered from 7.5% to 6.8% and a second 2023 actuarial valuation report was issued for the primary purpose of determining the actuarially determined employer contribution amount for Plan Year 2024.

Note: Information prior to 2019 is from the prior actuary.





SECTION V – SYSTEM LIABILITIES

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SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

The previous two sections were devoted to a discussion of the assets and liabilities of the System. A comparison of Tables 5 and Table 9 indicates that current assets fall short of meeting the present value of future benefits (total liability). This deficiency has to be made up by future actuarially determined employer contributions and investment income. An actuarial valuation sets out a schedule of future actuarially determined employer contributions that will deal with this deficiency in an orderly fashion.

The method used to determine the incidence of the contributions in various years is called the actuarial cost method. Under an actuarial cost method, the actuarially determined employer contributions required to meet the difference between current assets and current liabilities are allocated each year between two elements: (1) the normal cost and (2) the payment on the unfunded actuarial accrued liability. The actuarial cost method for the System is the traditional Entry Age Normal (EAN) level-percent of pay cost method. Under this EAN cost method, the actuarial present value of each member's projected benefits is allocated as a level-percent of their compensation from their entry age to their assumed exit age. The portion of the actuarial present value allocated to the valuation year is called the normal cost. The actuarial present value of benefits allocated to prior years of service is called the actuarial accrued liability. The unfunded actuarial accrued liability represents the difference between the actuarial accrued liability and the actuarial value of assets as of the valuation date. The unfunded actuarial accrued liability is calculated each year and reflects experience gains/losses.

On June 20, 2023, the Wisconsin Legislature enacted 2023 Wisconsin Act 12 (Act 12). In exchange for adopting the various restrictions to the City of Milwaukee operations, some of which do not directly affect the System, Act 12 allowed the City to pass a sales tax which will help pay for the additional costs resulting from the lower assumed rate of return and the natural operation of a retirement system that is closed to future employees. This sales tax is set to expire once the Systems attains a 100% funded ratio or after 30 years has passed, whichever occurs first. For as long as the sales tax remains in place, Act 12 allows an amount of no more than 90% of the sales tax revenue collected in 2024 to help fund certain costs under the System. There was \$200,621,090 in sales tax revenue collected in 2024, so the resulting maximum amount allowed to help fund pension costs in any Plan Year is \$180,558,981, which is about \$21.2 million above the total eligible costs for Plan Year 2027 (see Table 20).

Act 12 eliminated the Stable Employer Contribution Policy that had been used to determine required employer contribution rates under the Combined Fund from 2013 through 2023. In place of the Stable Employer Contribution Policy, Act 12 prescribed a new statutory policy which requires participating employers to contribute an actuarially calculated amount each year. At their July 24, 2023 meeting, the Board voted to adopt a one-year contribution lag upon the recommendation of their actuary. Therefore, the January 1, 2026 actuarial valuation will serve as the basis for determining the required employer contribution amounts for Plan Year 2027.

For purposes of calculating the Systems' unfunded actuarial accrued liability (UAAL) amortization payment, Act 12 stipulates that the projected January 1, 2024 UAAL, as calculated





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

in the *second* January 1, 2023 actuarial valuation, be amortized as a level-dollar amount over a closed 30-year period (27 years remaining as of the January 1, 2026 actuarial valuation). Future changes in the System's UAAL are to be amortized in accordance with Actuarial Standards of Practice. The current amortization policies, which were adopted by the Board at its February 24, 2023 meeting and subsequently adjusted to reflect the changes under 2023 Wisconsin Act 12, include:

- Future increases in the System's UAAL resulting from experience losses will be amortized over a closed 10-year period.
- Future decreases in the System's UAAL resulting from experience gains will be amortized over either a closed 10-year period or the remainder of the 30-year period beginning on January 1, 2024, whichever is longer.
- If the UAAL is negative, all prior bases will be eliminated, and the participating employers will be required to contribute their share of the annual normal cost and administrative expenses. If the UAAL becomes positive again, it will be amortized over a closed 10-year period.
- Changes to the UAAL arising from changes to plan provisions will be amortized over various periods, depending on the nature of the change and which participants are affected.
- Changes to the UAAL arising from contributions which are above or below the actuarially determined employer contribution will be amortized over a closed 5-year period.

Please note that the use of closed amortization periods, coupled with the employers contributing the full actuarially determined contribution each year, will result in the Plan being fully funded at the end of the amortization period, if all actuarial assumptions are met. Due to the use of a level-dollar amortization method, contributions are expected to exceed normal cost plus interest on the UAAL each year.

Following this page are several tables which document the development of the elements of the actuarially determined employer contribution for each fund allocated by employer. The exhibits are as follows:

- Table 15 shows the development of the projected January 1, 2027 UAAL by Fund, which is the basis for the beginning of the year for which we are determining the actuarially determined employer contributions.
- Table 16 shows the development of the amounts in Table 15 by Fund for each participating employer.
- Tables 17A-D develop each employer's proportionate share of the total UAAL amortization payment under each Fund using the projected UAAL amounts from Table 15. These tables also show each employer's proportionate share of administrative expenses. Each employer's proportionate share is developed in accordance with the provisions under 2023 Wisconsin Act 12 and Board policy.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

- Tables 18A-D show each employer's share of the total Actuarially Determined Employer Contribution amount under each Fund for Plan Year 2027. These amounts are allocated based on each employer's percentage share of the total AAL. Note that administrative expenses are allocated only to the Combined Fund.
- Table 19 shows the Actuarially Determined Employer Contribution by Employer for all Funds payable as of select dates. It is important to note that the amounts shown for January 1, 2027 are summarized from Tables 18A-D and the amounts shown for subsequent dates are adjusted for interest at 6.80%.
- Table 20 shows the amount of the Actuarially Determined Employer Contributions for Plan Year 2027 that are eligible to be paid from 2023 Wisconsin Act 12 Sales Tax Proceeds.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 15

PROJECTED UNFUNDED ACTUARIAL ACCRUED LIABILITY AT JANUARY 1, 2027 BY FUND

	Combined Fund	Retirement Fund	General Employees Duty Disability Fund	Combined Retirement & Disability Fund	Total For All Funds
1. Actuarial Accrued Liability, January 1, 2026	\$8,221,001,264	\$5,270,929	\$4,101	\$10,359,841	\$8,236,636,135
2. Normal Cost for 2026	101,769,486	35,605	252	212,883	102,018,226
3. Expected Benefit Payments During 2026	(514,894,249)	(202,323)	0	(188,208)	(515,284,780)
4. Interest at 6.80%	548,729,907	354,078	296	712,651	549,796,932
5. Projected Actuarial Accrued Liability, January 1, 2027	\$8,356,606,408	\$5,458,289	\$4,649	\$11,097,167	\$8,373,166,513
6. Actuarial Value of Assets, January 1, 2026	\$6,190,214,000	\$9,937,000	\$66,000	\$8,150,000	\$6,208,367,000
7. Expected Contributions During 2026	270,131,855	35,027	248	433,036	270,600,166
8. Expected Benefit Payments and Expenses During 2026	(525,273,399)	(202,323)	0	(188,208)	(525,663,930)
9. Interest at 6.80%	421,737,927	671,332	4,505	577,353	422,991,117
10. Projected Actuarial Value of Assets, January 1, 2027	\$6,356,810,383	\$10,441,036	\$70,753	\$8,972,181	\$6,376,294,353
11. Projected Unfunded Actuarial Accrued Liability, January 1, 2027	\$1,999,796,025	(\$4,982,747)	(\$66,104)	\$2,124,986	\$1,996,872,160
12. Projected UAAL Attributable to 5.8% Employee Pension Contribution Offset Lawsuit	20,721,277	0	0	0	20,721,277
13. Remaining Projected UAAL to be Allocated Across All Employers	\$1,979,074,748	(\$4,982,747)	(\$66,104)	\$2,124,986	\$1,976,150,883

Note: The projected UAAL attributable to the 5.8% Employee Pension Contribution Offset Lawsuit is funded only by the Policemen and Firemen groups.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 16

PROJECTED UNFUNDED ACTUARIAL ACCRUED LIABILITY AT JANUARY 1, 2027 BY FUND FOR EACH PARTICIPATING EMPLOYER

	City			Agencies							Total For All Employers
	General*	Policemen	Firemen	Water Department	School Board	Milwaukee Technical College	Sewerage Commission	Veolia	Wisconsin Center District	Housing Authority	
Combined Fund											
Actuarial Accrued Liability	1,965,509,365	3,233,369,194	1,560,474,885	175,541,542	1,020,356,604	9,432,228	215,807,200	68,235,749	32,045,296	75,834,345	8,356,606,408
Actuarial Value of Assets	<u>1,498,865,465</u>	<u>2,460,789,201</u>	<u>1,179,116,592</u>	<u>133,865,124</u>	<u>778,107,346</u>	<u>7,192,864</u>	<u>164,571,060</u>	<u>52,035,472</u>	<u>24,437,221</u>	<u>57,830,038</u>	<u>6,356,810,383</u>
Unfunded Actuarial Accrued Liability	466,643,900	772,579,993	381,358,293	41,676,418	242,249,258	2,239,364	51,236,140	16,200,277	7,608,075	18,004,307	1,999,796,025
5.8% Employee Pension Contribution											
Offset Lawsuit UAAL	N/A	<u>6,459,017</u>	<u>14,262,260</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20,721,277
Remaining UAAL	466,643,900	766,120,976	367,096,033	41,676,418	242,249,258	2,239,364	51,236,140	16,200,277	7,608,075	18,004,307	1,979,074,748
Retirement Fund											
Actuarial Accrued Liability	1,514,954	432,886	98,146	0	3,262,308	0	99,530	0	30,184	20,281	5,458,289
Actuarial Value of Assets	<u>2,897,921</u>	<u>828,058</u>	<u>187,741</u>	<u>0</u>	<u>6,240,394</u>	<u>0</u>	<u>190,389</u>	<u>0</u>	<u>57,738</u>	<u>38,795</u>	<u>10,441,036</u>
Unfunded Actuarial Accrued Liability	(1,382,967)	(395,172)	(89,595)	0	(2,978,086)	0	(90,859)	0	(27,554)	(18,514)	(4,982,747)
General Employees' Duty Disability Fund											
Actuarial Accrued Liability	1,177	0	0	0	3,472	0	0	0	0	0	4,649
Actuarial Value of Assets	<u>17,913</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>52,840</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>70,753</u>
Unfunded Actuarial Accrued Liability	(16,736)	0	0	0	(49,368)	0	0	0	0	0	(66,104)
Combined Retirement & Disability Fund											
Actuarial Accrued Liability	5,031,002	1,313,178	2,689	8,225	4,279,108	0	232,873	0	121,065	109,027	11,097,167
Actuarial Value of Assets	<u>4,067,620</u>	<u>1,061,719</u>	<u>2,174</u>	<u>6,650</u>	<u>3,459,706</u>	<u>0</u>	<u>188,280</u>	<u>0</u>	<u>97,882</u>	<u>88,150</u>	<u>8,972,181</u>
Unfunded Actuarial Accrued Liability	963,382	251,459	515	1,575	819,402	0	44,593	0	23,183	20,877	2,124,986
Total for All Funds	466,207,579	772,436,280	381,269,213	41,677,993	240,041,206	2,239,364	51,189,874	16,200,277	7,603,704	18,006,670	1,996,872,160

* Includes Elected Officials and Redevelopment Authority.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 17A

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) (COMBINED FUND)

The table below provides the calculation of the UAAL amortization payment for the Combined Fund, applicable for Plan Year 2027.

Amortization Base	Original Amount	Projected Balance as of January 1, 2027	Remaining Amortization Period	Annual Payment*
2024 UAAL Base**	\$ 1,894,284,452	\$ 1,827,587,250	27	\$ 140,073,218
2025 Experience Base	(5,668,575)	(5,529,665)	27	(423,814)
2026 Experience Base	140,647,942	130,371,629	9	18,577,127
2027 Experience Base	26,645,534	26,645,534	10	3,519,408
2025 Pension Offset Lawsuit - Policemen	7,608,658	6,459,017	8	1,004,970
2025 Pension Offset Lawsuit - Firemen	16,800,804	14,262,260	8	2,219,092
Total		1,999,796,025		164,970,001
Amount for Allocating Across All Employers		\$ 1,979,074,748		\$ 161,745,939

* Reflects beginning of year timing.

** Due to the passage of Act 12 by the 2023 Wisconsin Legislature, the projected UAAL as of January 1, 2024 was re-amortized over a closed 30-year period.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 17A (CONTINUED)

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) (COMBINED FUND)

The table below provides the allocation of the UAAL payment and administrative expenses for all participating agencies. These figures include costs associated with the 5.8% Employee Pension Contribution Offset Lawsuit in 2023 for Policemen and Firemen.

Employer	Projected January 1, 2027 Unfunded AAL**	Employer Percentage Share	UAAL Payment***	Administrative Expenses
1) City of Milwaukee				
a) General*	\$466,643,900	23.58%	\$38,137,900	\$2,427,300
b) Policemen	766,120,976	38.71%	63,618,551	3,985,063
c) Firemen	<u>367,096,033</u>	<u>18.55%</u>	<u>32,221,139</u>	<u>1,909,492</u>
d) Total City	\$1,599,860,909	80.84%	\$133,977,590	\$8,321,855
2) Agencies				
a) Water Department	\$41,676,418	2.11%	\$3,406,133	\$216,784
b) School Board	242,249,258	12.24%	19,798,562	1,260,086
c) Milwaukee Technical College	2,239,364	0.11%	183,019	11,648
d) Sewerage Commission	51,236,140	2.59%	4,187,430	266,510
e) Veolia	16,200,277	0.82%	1,324,017	84,268
f) Wisconsin Center District	7,608,075	0.38%	621,793	39,574
g) Housing Authority	<u>18,004,307</u>	<u>0.91%</u>	<u>1,471,457</u>	<u>93,651</u>
h) Total	\$379,213,839	19.16%	\$30,992,411	\$1,972,521
Total: 1(d) + 2(h)	\$1,979,074,748	100.00%	\$164,970,001	\$10,294,376

* Includes Elected Officials and Redevelopment Authority

** Does not include the projected UAAL attributable to the 5.8% Employee Pension Contribution Offset Lawsuit settled in 2023.

*** For Policemen and Firemen, includes an additional payment for the 5.8% Employee Pension Contribution Offset Lawsuit settled in 2023.

Note: Actual contribution requirement will be adjusted for the actual payment date of the contribution.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 17B

AMORTIZATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) (RETIREMENT FUND)

The tables below provide the calculation of the UAAL amortization payment for the Retirement Fund, applicable for Plan Year 2027, as well as the allocation of the UAAL payment and administrative expenses for all participating agencies.

Amortization Base	Original Amount	Projected Balance as of January 1, 2027	Remaining Amortization Period	Annual Payment*
2027 UAAL Base	\$ (4,982,747)	\$ (4,982,747)	N/A	\$ 0
Total		\$ (4,982,747)		\$ 0

* Reflects beginning of year timing.

Employer	Projected January 1, 2027 Unfunded AAL	Employer Percentage Share	UAAL Payment	Administrative Expenses
1) City of Milwaukee				
a) General*	(\$1,382,967)	27.76%	\$0	\$0
b) Policemen	(395,172)	7.93%	0	0
c) Firemen	<u>(89,595)</u>	<u>1.80%</u>	<u>0</u>	<u>0</u>
d) Total City	(\$1,867,734)	37.49%	\$0	\$0
2) Agencies				
a) Water Department	\$0	0.00%	\$0	\$0
b) School Board	(2,978,086)	59.77%	0	0
c) Milwaukee Technical College	0	0.00%	0	0
d) Sewerage Commission	(90,859)	1.82%	0	0
e) Veolia	0	0.00%	0	0
f) Wisconsin Center District	(27,554)	0.55%	0	0
g) Housing Authority	<u>(18,514)</u>	<u>0.37%</u>	<u>0</u>	<u>0</u>
h) Total	(\$3,115,013)	62.51%	\$0	\$0
Total: 1(d) + 2(h)	(\$4,982,747)	100.00%	\$0	\$0

* Includes Elected Officials and Redevelopment Authority

Note: Actual contribution requirement will be adjusted for the actual payment date of the contribution.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 17C

AMORTIZATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) (GENERAL EMPLOYEES DUTY DISABILITY FUND)

The tables below provide the calculation of the UAAL amortization payment for the General Employees Duty Disability Fund, applicable for Plan Year 2027, as well as the allocation of the UAAL payment and administrative expenses for all participating agencies.

Amortization Base	Original Amount	Projected Balance as of January 1, 2027	Remaining Amortization Period	Annual Payment*
2027 UAAL Base	\$ (66,104)	\$ (66,104)	N/A	\$ 0
Total		\$ (66,104)		\$ 0

* Reflects beginning of year timing.

Employer	Projected January 1, 2027 Unfunded AAL	Employer Percentage Share	UAAL Payment	Administrative Expenses
1) City of Milwaukee				
a) General*	(\$16,736)	25.32%	\$0	\$0
b) Policemen	0	0.00%	0	0
c) Firemen	0	0.00%	0	0
d) Total City	(\$16,736)	25.32%	\$0	\$0
2) Agencies				
a) Water Department	\$0	0.00%	\$0	\$0
b) School Board	(49,368)	74.68%	0	0
c) Milwaukee Technical College	0	0.00%	0	0
d) Sewerage Commission	0	0.00%	0	0
e) Veolia	0	0.00%	0	0
f) Wisconsin Center District	0	0.00%	0	0
g) Housing Authority	0	0.00%	0	0
h) Total	(\$49,368)	74.68%	\$0	\$0
Total	(\$66,104)	100.00%	\$0	\$0

* Includes Elected Officials and Redevelopment Authority

Note: Actual contribution requirement will be adjusted for the actual payment date of the contribution.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 17D

AMORTIZATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) (COMBINED RETIREMENT & DISABILITY FUND)

The tables below provide the calculation of the UAAL amortization payment for the Combined Retirement and Disability Fund, applicable for Plan Year 2027, as well as the allocation of the UAAL payment and administrative expenses for all participating agencies.

Amortization Base	Original Amount	Projected Balance as of January 1, 2027	Remaining Amortization Period	Annual Payment*
2024 UAAL Base**	\$ 2,836,969	\$ 2,737,081	27	\$ 209,780
2025 Experience Base	(1,008,294)	(983,585)	27	(75,386)
2026 Experience Base	745,819	691,326	9	98,510
2027 Experience Base	(319,836)	(319,836)	27	(24,513)
Total		\$ 2,124,986		\$ 208,391

* Reflects beginning of year timing.

** Due to the passage of Act 12 by the 2023 Wisconsin Legislature, the projected UAAL as of January 1, 2024 was re-amortized over a closed 30-year period.

Employer	Projected January 1, 2027 Unfunded AAL	Employer Percentage Share	UAAL Payment	Administrative Expenses
1) City of Milwaukee				
a) General*	\$963,382	45.35%	\$94,476	\$0
b) Policemen	251,459	11.83%	24,660	0
c) Firemen	<u>515</u>	<u>0.02%</u>	<u>52</u>	<u>0</u>
d) Total City	\$1,215,356	57.20%	\$119,188	\$0
2) Agencies				
a) Water Department	\$1,575	0.07%	\$154	\$0
b) School Board	819,402	38.56%	80,356	0
c) Milwaukee Technical College	0	0.00%	0	0
d) Sewerage Commission	44,593	2.10%	4,373	0
e) Veolia	0	0.00%	0	0
f) Wisconsin Center District	23,183	1.09%	2,273	0
g) Housing Authority	<u>20,877</u>	<u>0.98%</u>	<u>2,047</u>	<u>0</u>
h) Total	\$909,630	42.80%	\$89,203	\$0
Total	\$2,124,986	100.00%	\$208,391	\$0

* Includes Elected Officials and Redevelopment Authority

Note: Actual contribution requirement will be adjusted for the actual payment date of the contribution.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 18A

ALLOCATION OF THE JANUARY 1, 2027 ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION BY EMPLOYER (COMBINED FUND)

	(1) Total Projected 2027 Normal Cost	(2) Projected Member Contributions	(3) = (1) - (2) Employer Share Projected 2027 Normal Cost	(4) Expected Administrative Expenses	(5) Employer Share UAAL Payment	(6) = (3)+(4)+(5) Total Employer Contribution
Employer						
1) City of Milwaukee						
a) General	\$22,785,028	\$8,779,227	\$14,005,801	\$2,427,300	\$38,137,900	\$54,571,001
b) Policemen	37,314,162	9,506,398	27,807,764	3,985,063	63,618,551	95,411,378
c) Firemen	17,832,419	4,457,108	13,375,311	1,909,492	32,221,139	47,505,942
d) Total City	\$77,931,609	\$22,742,733	\$55,188,876	\$8,321,855	\$133,977,590	\$197,488,321
2) Agencies						
a) Water Department	\$2,286,619	\$881,195	\$1,405,424	\$216,784	\$3,406,133	\$5,028,341
b) School Board	14,363,910	5,814,155	8,549,755	1,260,086	19,798,562	29,608,403
c) Milwaukee Technical College	0	0	0	11,648	183,019	194,667
d) Sewerage Commission	2,271,871	916,924	1,354,947	266,510	4,187,430	5,808,887
e) Veolia	49,425	14,405	35,020	84,268	1,324,017	1,443,305
f) Wisconsin Center District	695,812	269,526	426,286	39,574	621,793	1,087,653
g) Housing Authority	442,172	167,883	274,289	93,651	1,471,457	1,839,397
h) Total	\$20,109,809	\$8,064,088	\$12,045,721	\$1,972,521	\$30,992,411	\$45,010,653
3) Total System: 1d + 2h	\$98,041,418	\$30,806,821	\$67,234,597	\$10,294,376	\$164,970,001	\$242,498,974

Note: Amounts shown are as of January 1, 2027. Interest accrues at 6.80% per year for contributions made after January 1, 2027.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 18B

ALLOCATION OF THE JANUARY 1, 2027 ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION BY EMPLOYER (RETIREMENT FUND)

	(1) Total Projected 2027 Normal Cost	(2) Projected Member Contributions	(3) = (1) - (2) Employer Share Projected 2027 Normal Cost	(4) Expected Administrative Expenses	(5) Employer Share UAAL Payment	(6) = (3)+(4)+(5) Total Employer Contribution
Employer						
1) City of Milwaukee						
a) General	\$5,750	\$1,996	\$3,754	\$0	\$0	\$3,754
b) Policemen	0	0	0	0	0	0
c) Firemen	0	0	0	0	0	0
d) Total City	\$5,750	\$1,996	\$3,754	\$0	\$0	\$3,754
2) Agencies						
a) Water Department	\$0	\$0	\$0	\$0	\$0	\$0
b) School Board	23,451	10,781	12,670	0	0	12,670
c) Milwaukee Technical College	0	0	0	0	0	0
d) Sewerage Commission	0	0	0	0	0	0
e) Veolia	0	0	0	0	0	0
f) Wisconsin Center District	0	0	0	0	0	0
g) Housing Authority	0	0	0	0	0	0
h) Total	\$23,451	\$10,781	\$12,670	\$0	\$0	\$12,670
3) Total System: 1d + 2h	\$29,201	\$12,777	\$16,424	\$0	\$0	\$16,424

Note: Amounts shown are as of January 1, 2027. Interest accrues at 6.80% per year for contributions made after January 1, 2027.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 18C

ALLOCATION OF JANUARY 1, 2027 ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION BY EMPLOYER (GENERAL EMPLOYEES DUTY DISABILITY FUND)

	(1) Total Projected 2027 Normal Cost	(2) Projected Member Contributions	(3) = (1) - (2) Employer Share Projected 2027 Normal Cost	(4) Expected Administrative Expenses	(5) Employer Share UAAL Payment	(6) = (3)+(4)+(5) Total Employer Contribution
Employer						
1) City of Milwaukee						
a) General	\$33	\$0	\$33	\$0	\$0	\$33
b) Policemen	0	0	0	0	0	0
c) Firemen	0	0	0	0	0	0
d) Total City	\$33	\$0	\$33	\$0	\$0	\$33
2) Agencies						
a) Water Department	\$0	\$0	\$0	\$0	\$0	\$0
b) School Board	174	0	174	0	0	174
c) Milwaukee Technical College	0	0	0	0	0	0
d) Sewerage Commission	0	0	0	0	0	0
e) Veolia	0	0	0	0	0	0
f) Wisconsin Center District	0	0	0	0	0	0
g) Housing Authority	0	0	0	0	0	0
h) Total	\$174	\$0	\$174	\$0	\$0	\$174
3) Total System: 1d + 2h	\$207	\$0	\$207	\$0	\$0	\$207

Note: Amounts shown are as of January 1, 2027. Interest accrues at 6.80% per year for contributions made after January 1, 2027.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 18D

ALLOCATION OF THE JANUARY 1, 2027 ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION BY EMPLOYER (COMBINED RETIREMENT AND DISABILITY FUND)

	(1) Total Projected 2027 Normal Cost	(2) Projected Member Contributions	(3) = (1) - (2) Employer Share Projected 2027 Normal Cost	(4) Expected Administrative Expenses	(5) Employer Share UAAL Payment	(6) = (3)+(4)+(5) Total Employer Contribution
Employer						
1) City of Milwaukee						
a) General	\$103,464	\$38,985	\$64,479	\$0	\$94,476	\$158,955
b) Policemen	14,324	3,495	10,829	0	24,660	35,489
c) Firemen	0	0	0	0	52	52
d) Total City	\$117,788	\$42,480	\$75,308	\$0	\$119,188	\$194,496
2) Agencies						
a) Water Department	\$0	\$0	\$0	\$0	\$154	\$154
b) School Board	74,919	30,435	44,484	0	80,356	124,840
c) Milwaukee Technical College	0	0	0	0	0	0
d) Sewerage Commission	0	0	0	0	4,373	4,373
e) Veolia	0	0	0	0	0	0
f) Wisconsin Center District	0	0	0	0	2,273	2,273
g) Housing Authority	0	0	0	0	2,047	2,047
h) Total	\$74,919	\$30,435	\$44,484	\$0	\$89,203	\$133,687
3) Total System: 1d + 2h	\$192,707	\$72,915	\$119,792	\$0	\$208,391	\$328,183

Note: Amounts shown are as of January 1, 2027. Interest accrues at 6.80% per year for contributions made after January 1, 2027.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 19

ALLOCATION OF THE ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS TO INDIVIDUAL EMPLOYERS

Employer	Total Employer Contribution Across All Funds as of:				
	Jan 1, 2027	April 1, 2027	July 1, 2027	Oct 1, 2027	Dec 31, 2027
1) City of Milwaukee					
a) General*	\$54,733,743	\$55,641,389	\$56,564,086	\$57,502,084	\$58,455,637
b) Policemen	95,446,867	97,029,656	98,638,692	100,274,411	101,937,255
c) Firemen	47,505,994	48,293,783	49,094,635	49,908,768	50,736,402
d) Total City	\$197,686,604	\$200,964,828	\$204,297,413	\$207,685,263	\$211,129,294
2) Agencies					
a) Water Department	\$5,028,495	\$5,111,882	\$5,196,652	\$5,282,828	\$5,370,433
b) School Board	29,746,087	30,239,364	30,740,821	31,250,594	31,768,820
c) Milwaukee Technical College	194,667	197,895	201,177	204,513	207,904
d) Sewerage Commission	5,813,260	5,909,661	6,007,660	6,107,285	6,208,562
e) Veolia	1,443,305	1,467,239	1,491,570	1,516,305	1,541,450
f) Wisconsin Center District	1,089,926	1,108,000	1,126,374	1,145,053	1,164,041
g) Housing Authority	1,841,444	1,871,981	1,903,024	1,934,582	1,966,663
h) Total	\$45,157,184	\$45,906,022	\$46,667,278	\$47,441,160	\$48,227,873
3) Total System: 1d + 2h	\$242,843,788	\$246,870,850	\$250,964,691	\$255,126,423	\$259,357,167

* Includes Elected Officials and Redevelopment Authority

Note: Interest accrues at 6.80% per year for contributions made after January 1, 2027.

Amounts are not additive. Figures shown represent each employer's full actuarially determined employer contribution amount at the respective contribution dates.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 20

ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS ELIGIBLE TO BE PAID FROM 2023 WISCONSIN ACT 12 SALES TAX PROCEEDS

Act 12 allows an amount of no more than 90% of the sales tax revenue collected during 2024 to pay for actuarially determined employer contributions. The sales tax revenue collected during 2024 was \$200,621,090. The maximum amount of \$180,558,981 (90% of \$200,621,090) does not change in future years. The following costs are eligible to be offset by sales tax revenue under Act 12:

1. The City’s share of the unfunded actuarial accrued liability (UAAL) as of January 1, 2024. This portion of the UAAL is to be amortized on a level-dollar basis over a closed, 30-year period using an assumed rate of return no greater than what has been adopted by the Wisconsin Retirement System.
2. The City’s share of the cost of amortizing future changes to the UAAL. Future increases in the UAAL are to be amortized using the same basis as the January 1, 2024 UAAL, but over a closed 10-year period. Future decreases in the UAAL will be amortized over either a closed 10-year period or the remainder of the 30-year period beginning on January 1, 2024, whichever is longer.
3. The increase in normal costs attributable to the Combined Fund from 2022 to the present year for the City proper and its agencies.

Under Act 12, administrative expenses are to be included in all normal cost contributions. The following table shows the Plan Year 2027 contribution amounts for each employer that are eligible to be paid from the Act 12 sales tax proceeds. Amounts are shown as of January 1, 2027.

	Total Normal Cost for the Combined Fund Only			Total UAAL	Total
	2022 Total	2027 Total	Increase/ (Decrease)	Payment for All Funds	
1) City of Milwaukee					
a) General	\$16,236,384	\$25,212,328	\$8,975,944	\$38,232,376	\$47,208,320
b) Policemen	33,883,422	41,299,225	7,415,803	63,643,211	71,059,014
c) Firemen	15,750,167	19,741,911	3,991,744	32,221,191	36,212,935
d) Total City	\$65,869,973	\$86,253,464	\$20,383,491	\$134,096,778	\$154,480,269
2) Agencies					
a) Water Dept	\$1,729,279	\$2,503,403	\$774,124	N/A	\$774,124
b) School Board	12,447,912	15,623,996	3,176,084	N/A	3,176,084
c) Milwaukee Technical College	0	11,648	11,648	N/A	11,648
d) Sewerage Commission	1,899,423	2,538,381	638,958	N/A	638,958
e) Veolia	85,835	133,693	47,858	N/A	47,858
f) Wisconsin Center District	503,437	735,386	231,949	N/A	231,949
g) Housing Authority	661,527	535,823	(125,704)	N/A	0
h) Total	\$17,327,413	\$22,082,330	\$4,754,917	N/A	\$4,880,621
3) Total System: 1(d) + 2(h)	\$83,197,386	\$108,335,794	\$25,138,408	\$134,096,778	\$159,360,890

Note: The total actuarially determined employer contributions eligible to be paid from Act 12 sales tax proceeds is less than the maximum allowable amount of \$180,558,981. Therefore, the full amount of eligible costs can be paid for by Act 12 sales tax proceeds.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

**TABLE 20
(CONTINUED)**

ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS ELIGIBLE TO BE PAID FROM 2023 WISCONSIN ACT 12 SALES TAX PROCEEDS

Development of 2022 Normal Cost

There are various methods for calculating the amount contributed to cover the normal cost expense during 2022 that could be utilized for this purpose. Two reasonable alternatives include:

1. Use the normal cost amount calculated for the January 1, 2022 actuarial valuation, which is based on the assumptions adopted by the Annuity and Pension Board (Board) in 2017 for the 2018 through 2022 actuarial valuations and the 7.50% investment return adopted by the Board for the 2019 through 2022 actuarial valuations.
2. Calculate the 2022 normal cost based upon the assumptions used for the development of the Stable Employer Contribution Rate in effect during plan years 2018 through 2022. These are the assumptions which were adopted by the Annuity and Pension Board (Board) in 2017 and include an investment return assumption of 8.00% for 2018 through 2022 and 8.25% thereafter.

Since the employer contributions to the Combined Fund for plan year 2022 are based on the Stable Employer Contribution Policy, our calculation is based on the second alternative. The Stable Employer Contribution Policy rates for 2018 through 2022 were developed by the prior actuary, and sufficient documentation indicating how to separate the individual contribution components, such as normal cost, was not provided. However, during the transition process we were able to replicate the prior actuary's results within reasonable limits. Therefore, we used the results of the January 1, 2022 actuarial valuation, which CavMac developed, and updated those results to reflect the prior actuary's investment return assumption (8.00% for 2018 through 2022 and 8.25% thereafter).





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

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SECTION VII – RISK CONSIDERATIONS

Actuarial Standards of Practice are issued by the Actuarial Standards Board and are binding on credentialed actuaries practicing in the United States. These standards generally identify what the actuary should consider, document and disclose when performing an actuarial assignment. In September, 2017, Actuarial Standard of Practice Number 51, *Assessment and Disclosure of Risk in Measuring Pension Obligations*, (ASOP 51) was issued as final with application to measurement dates on or after November 1, 2018. This ASOP, which applies to funding valuations, actuarial projections, and actuarial cost studies of proposed plan changes, was first applicable for the January 1, 2019 actuarial valuation for the Employees' Retirement System of the City of Milwaukee (System).

While actuarial assumptions allow for a projection of how future actuarially determined employer contributions and investment returns will meet the cash flow needs for future benefit payments, actual experience will not unfold exactly as anticipated by the assumptions. In this section, we discuss some of the risk factors that can have a significant impact – positive or negative – on the actuarial projection of liability and actuarially determined employer contributions .

There are a number of risks inherent in the funding of a defined benefit plan. These include:

- economic risks, such as investment return and inflation;
- demographic risks such as mortality, payroll growth, aging population, and retirement ages;
- contribution risk like volatility making it difficult for the plan sponsor to fund the plan; and
- external risks such as the regulatory and political environment (not included in ASOP 51).

The last two are not risks that the actuary must opine on under ASOP 51.

There is a direct correlation between healthy, well-funded retirement plans and consistent contributions of at least the full actuarially determined employer contributions each year. Under 2023 Wisconsin Act 12 (Act 12), the main source of funding for the System comes from the sales tax permitted under Act 12. This sales tax is currently set to expire once the System attains a 100% funded ratio or after 30 years have passed, whichever occurs first. Finally, Act 12 allows an amount of no more than 90% of the sales tax revenue collected in the first full calendar year (2024) to help fund the following costs under the System:

1. The City's share of the unfunded actuarial accrued liability (UAAL) as of January 1, 2024.
2. The City's share of the cost of amortizing future changes to the UAAL.
3. The increase in normal costs attributable to the Combined Fund from 2022 to the present year for the City proper and its agencies.

Currently, 90% of the sales tax revenue collected during 2024 is expected to be sufficient to fund all the eligible costs outlined above in the future. However, unfavorable asset or liability experience in the future may change this. Another factor that could significantly impact the System's costs is future changes to the investment return assumption. Under Act 12, the Systems' investment return assumption cannot be greater than the rate used by the Wisconsin Retirement System for active participants, and so ERS does not have full control over the most impactful

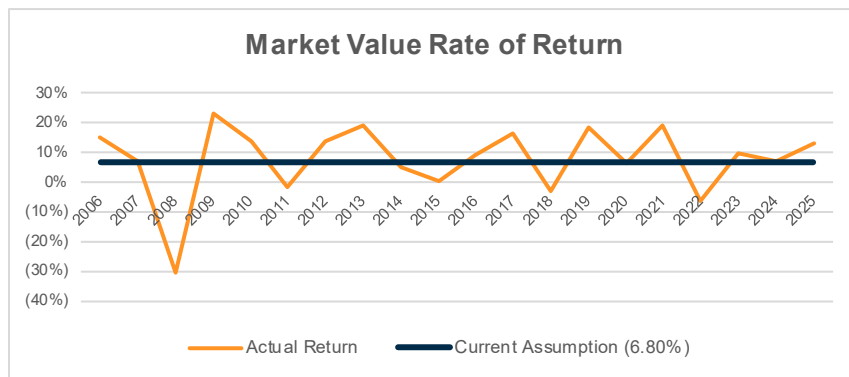




SECTION VII – RISK CONSIDERATIONS

assumption used in actuarial valuation. Please see Table 24 for an illustration of the cost impact due to lowering the investment return assumption based on the current valuation results.

The most significant risk factor for most plans is investment performance because of the volatility of the returns and the size of an asset fund under a mature plan. The System’s average investment return on the market value of assets during the past 20 years was 7.02%, which is equal to the current investment return assumption. However, a perusal of historical returns over 10-20 years reveals that the actual return each year is rarely close to the assumed return. This is an expected result given the underlying capital market assumptions and the asset allocation. However, the valuation is a measurement based on a single investment return, usually around the median of the distribution of returns. The magnitude of variations in investment returns and the short timeframe in which they occur makes the management of this risk very challenging. See the chart below for the historical rates of return over the past 20 years.



This metric means the same investment experience would move the actuarially determined employer contributions more significantly for CMERS as compared to most other public plans. For example, a return that is 10% lower than assumed (or -3.20%) equates to an actuarial loss of about \$636 million. Given the amortization period of 10 years for actuarial losses, an increase of about \$84 million each year for each of the next 10 years would be required to compensate for an investment return that is 10% below the assumed rate of return in just one year. Note that the System’s asset smoothing method would initially dampen the contribution impact.

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we are required to include a low-default-risk obligation measure of the System’s liability in our funding valuation report. This is an informational disclosure as described below and would not be appropriate for assessing the funding progress or health of the plan. This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE Pension Discount Curve based on market bond rates published by the Society of Actuaries as of December 31, 2025 and with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a liability of approximately \$9.9 billion. This amount approximates the termination liability if the plan (or all covered employment) ended on the valuation date and all of the accrued benefits had to be paid





SECTION VII – RISK CONSIDERATIONS

with cash-flow matched bonds. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans since governments rarely have the need or option to completely terminate a plan. However, this informational disclosure is required for all plans whether corporate or governmental and care should be taken to ensure the one size fits all metric is not misconstrued.

A key demographic risk for all retirement systems, including CMERS, is improvements in mortality (longevity) greater than anticipated. While the mortality assumption used in the valuation reflects some improvement in mortality experience and this assumption is evaluated and refined in each experience study, the risk arises because there is a possibility of some sudden shift, perhaps from a significant medical breakthrough that could rapidly improve mortality rates and increase liabilities. Likewise, there is some possibility of a significant public health crisis that could result in a significant number of additional deaths in a short time period, as experienced with the COVID-19 pandemic. This type of event is also significant, although more easily absorbed. While either of these events could happen, it represents a relatively small probability and thus represents much less risk than the volatility associated with investment returns.

As plan demographics change over time, along with the funded status, the risk factors may also change. The following exhibits summarize certain historical information that provide an indication as to how key risk metrics have changed over time.





SECTION VII – RISK CONSIDERATIONS

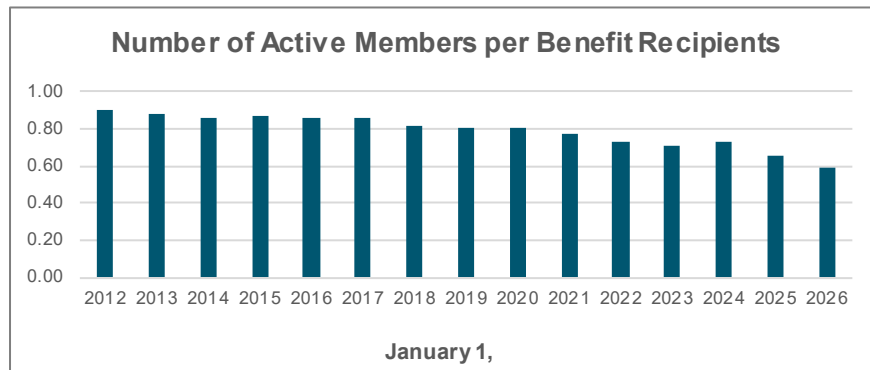
TABLE 21

RATIO OF ACTIVE TO RETIREE COUNT

The System has experienced a 23% decline in the active membership over the past 14 years. Given the closure of the plan to new hires as of January 1, 2024 due to Act 12, we expect a continued reduction in the ratio of active-to-retiree count over the upcoming years.

Valuation Date January 1	Active Count	In-Pay Count	Active/In-Pay
2012	10,767	11,937	0.90
2013	10,714	12,109	0.88
2014	10,675	12,468	0.86
2015	10,964	12,580	0.87
2016	10,982	12,746	0.86
2017	11,083	12,872	0.86
2018	10,845	13,181	0.82
2019	10,851	13,355	0.81
2020	10,974	13,543	0.81
2021	10,567	13,636	0.77
2022	10,094	13,747	0.73
2023	9,800	13,842	0.71
2024	10,108	13,867	0.73
2025	9,119	13,901	0.66
2026	8,296	13,953	0.59

Note the ratio of active members to benefit recipients is not as critical for ERS as it is for, say, Social Security. The Plan has been funded, in advance, precisely for this reason and those assets exist to help pay the benefits of members. It is, however, a sign of the maturity of the System.





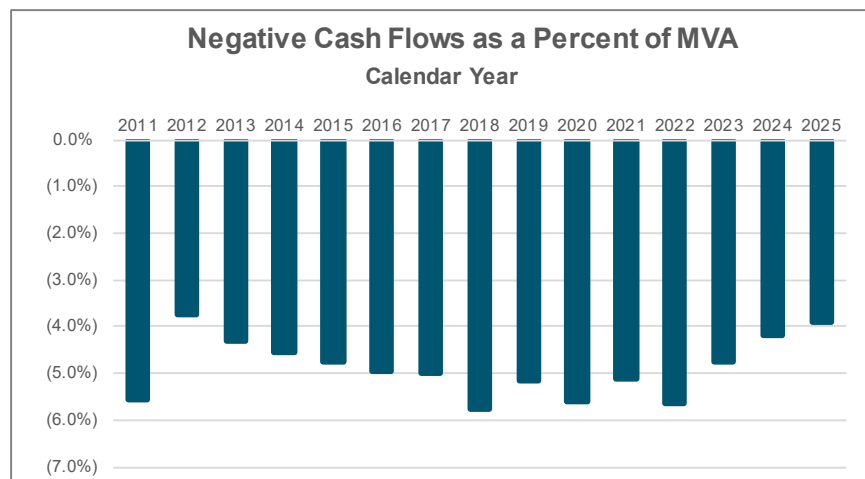
SECTION VII – RISK CONSIDERATIONS

TABLE 22

HISTORICAL CASH FLOWS
(\$ Thousands)

Plans with large negative cash flows generally experience increased sensitivity to investment return volatility. Cash flows, for this purpose, are measured as contributions minus benefit payments. If the System has negative cash flows and then experiences returns below the assumed rate, there are fewer assets to be reinvested to earn the higher returns that often follow. Negative cash flows can also impact the System’s asset allocation and is a consideration in setting the investment policy of the system. CMERS has a relatively high negative cash flow so this metric should be closely monitored. The higher the net cash flow is as a percentage of the market value of assets, the greater the risk to the System’s funding.

Calendar Year	Market Value of Assets (MVA)	Contributions	Benefit Payments and Expenses	Net Cash Flow	Net Cash Flow as a Percent of MVA
2011	\$4,197,264	\$52,675	\$285,565	(\$232,890)	(5.55%)
2012	4,375,197	138,968	302,439	(163,471)	(3.74%)
2013	4,949,534	122,157	334,858	(212,701)	(4.30%)
2014	4,953,150	116,507	342,569	(226,062)	(4.56%)
2015	4,752,308	121,751	347,888	(226,137)	(4.76%)
2016	4,886,669	110,013	351,303	(241,290)	(4.94%)
2017	5,396,527	116,018	385,331	(269,313)	(4.99%)
2018	4,950,881	115,251	400,707	(285,456)	(5.77%)
2019	5,557,077	129,022	416,104	(287,082)	(5.17%)
2020	5,649,734	119,852	436,331	(316,479)	(5.60%)
2021	6,431,356	122,621	451,989	(329,368)	(5.12%)
2022	5,525,958	153,775	464,799	(311,024)	(5.63%)
2023	5,796,501	203,730	479,063	(275,333)	(4.75%)
2024	5,955,819	251,729	500,936	(249,207)	(4.18%)
2025	6,458,509	254,568	507,902	(253,334)	(3.92%)





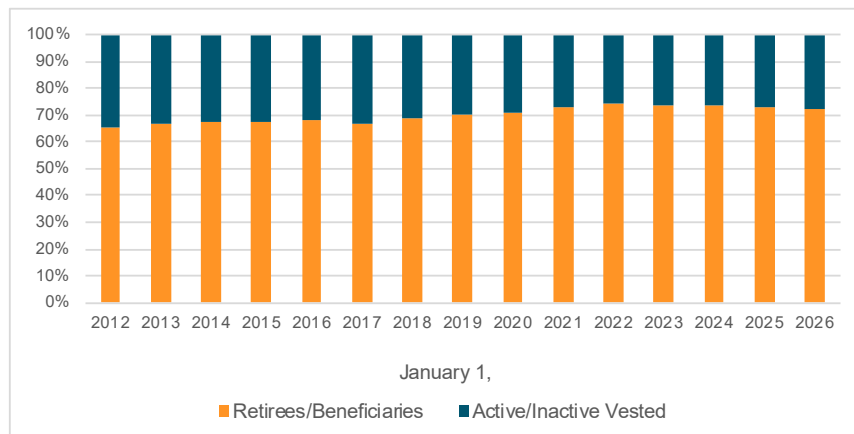
SECTION VII – RISK CONSIDERATIONS

TABLE 23

LIABILITY MATURITY MEASUREMENTS
(\$ Thousands)

Most public sector retirement systems have been in operation for many decades like CMERS. As a result, they have mature plan demographics, resulting in an increased ratio of retirees to active members and a growing percentage of retiree liability. For CMERS, this trend is expected to accelerate now that the System has been closed to new hires as of January 1, 2024. Despite closing the System to new hires, its liabilities will be substantial for many years. As the number of contributing active participants decreases, a larger proportion of increased costs due to future actuarial experience or assumption changes, if any, will be borne by the participating employers.

Actuarial Valuation Date	Retiree Liability (a)	Total Actuarial Accrued Liability (b)	Retiree Percentage (a / b)
1/1/2012	\$2,987,922	\$4,587,915	65.1%
1/1/2013	3,121,007	4,689,814	66.5%
1/1/2014	3,254,212	4,831,689	67.4%
1/1/2015	3,344,604	4,935,482	67.8%
1/1/2016	3,462,308	5,065,141	68.4%
1/1/2017	3,512,367	5,259,300	66.8%
1/1/2018	3,993,493	5,819,762	68.6%
1/1/2019	4,491,023	6,400,901	70.2%
1/1/2020	4,682,004	6,597,457	71.0%
1/1/2021	4,907,245	6,745,299	72.8%
1/1/2022	5,106,118	6,875,927	74.3%
1/1/2023	5,606,392	7,631,007	73.5%
1/1/2024	5,757,572	7,829,371	73.5%
1/1/2025	5,866,170	8,042,693	72.9%
1/1/2026	5,978,363	8,236,636	72.6%





SECTION VII – RISK CONSIDERATIONS

TABLE 24

COMPARISON OF VALUATION RESULTS UNDER ALTERNATE INVESTMENT RETURN ASSUMPTIONS
(\$ Thousands)

This exhibit compares the key January 1, 2026 valuation results for the System under three (3) different investment return assumptions to illustrate the impact of different assumptions on the System's funding. Note that only the investment return assumption is changed, as identified in the heading below, and the assumption cannot exceed the rate used by the Wisconsin Retirement System, which is currently 6.80% for active employees. All other assumptions are unchanged for purposes of this analysis.

Investment Return Assumption	5.80%	6.30%	6.80%
Contributions			
- Total Normal Cost	\$126,101	\$111,096	\$98,264
- Member Contributions	(30,893)	(30,893)	(30,893)
- Employer Normal Cost	\$95,208	\$80,203	\$67,371
- Projected Administrative Expenses	\$10,294	\$10,294	\$10,294
- Unfunded Actuarial Accrued Liability	\$289,927	\$225,669	\$165,178
Total Employer Contribution	\$395,429	\$316,166	\$242,844
Actuarial Value of Assets	\$6,302,321	\$6,302,321	\$6,302,321
Actuarial Accrued Liability	9,247,926	8,718,018	8,236,636
Unfunded Actuarial Accrued Liability	\$2,945,605	\$2,415,697	\$1,934,315
Funded Ratio	68.1%	72.3%	76.5%

Note: Numbers may not add due to rounding. All other assumptions are unchanged for purposes of this sensitivity analysis.





SECTION VII – RISK CONSIDERATIONS

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APPENDIX A – MEMBERSHIP DATA

MEMBER DATA RECONCILIATION

January 1, 2025 to January 1, 2026

The number of members included in the valuation, as summarized in the table below, is in accordance with the data submitted by the System for members of the valuation date.

	Active Members	Refund Payable	Deferred Vested	Benefit Recipients			Total
				Disabled Members	Retirees	Beneficiaries	
Participants as of January 1, 2025	9,119	2,471	3,732	421	11,474	2,006	29,223
New Participants	40	9	1	0	0	149	201
Return to Work	47	(44)	(3)	0	0	0	0
Terminations							
- Refunded	(127)	(387)	(118)	0	0	0	(632)
- Refund Payable	(181)	218	(37)	0	0	0	0
- Deferred Vested	(288)	0	288	0	0	0	0
Service Retirements							
- Annuity	(278)	0	(149)	0	427	0	0
- Lump Sum	(13)	0	(24)	0	0	0	(37)
Disabilities							
- Duty-Related	0	0	0	0	0	0	0
- Non Duty-Related	(4)	0	(4)	8	0	0	0
Deaths	(17)	(1)	(8)	(6)	(379)	(143)	(554)
Benefit Payments Stopped	0	0	0	0	0	(4)	(4)
Reached Service Retirement Conversion Age	0	0	0	(15)	15	0	0
Data Adjustments	(3)	0	0	0	0	0	(3)
Participants as of January 1, 2026	8,296	2,266	3,679	408	11,537	2,008	28,194

Notes: Duty disabled members who have reached their conversion age are included in the Retirees count.

Refund Payable counts include beneficiaries and estates that are owed a lump sum benefit as of January 1, 2026.



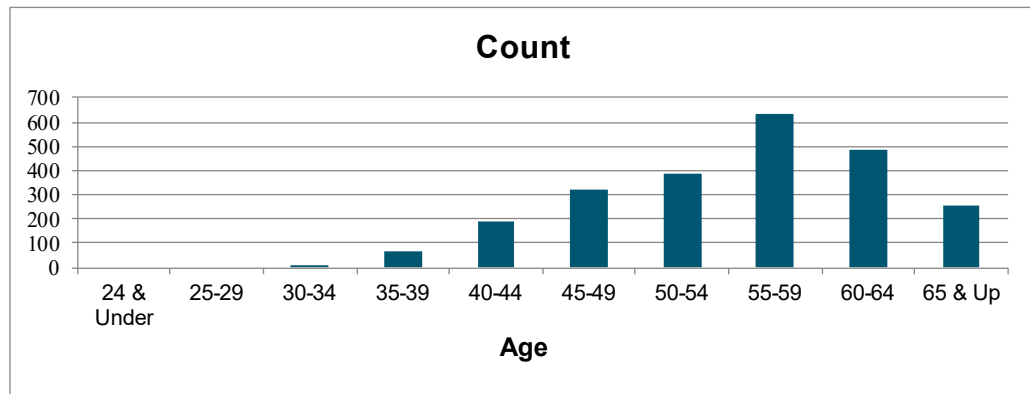
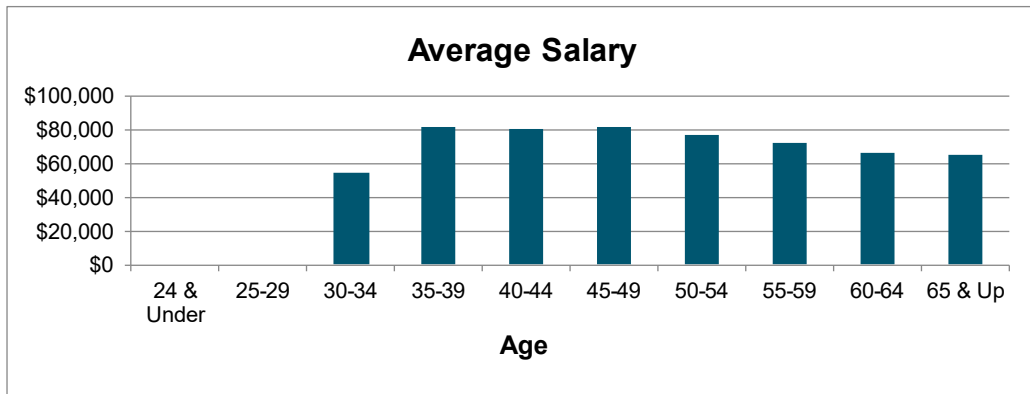


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

General Employees – Tier 1

Age	Count			Reported FY 2025 Earnings		
	Male	Female	Total	Male	Female	Total
24 & Under	0	0	0	\$ 0	\$ 0	\$ 0
25-29	0	0	0	0	0	0
30-34	4	2	6	253,716	75,641	329,357
35-39	34	37	71	3,092,261	2,685,800	5,778,061
40-44	99	88	187	9,084,155	5,926,274	15,010,429
45-49	149	174	323	13,015,097	13,261,344	26,276,441
50-54	189	195	384	16,745,147	12,500,506	29,245,653
55-59	313	320	633	26,017,673	19,432,547	45,450,220
60-64	203	281	484	16,527,954	15,549,070	32,077,024
65 & Up	<u>126</u>	<u>132</u>	<u>258</u>	<u>10,338,389</u>	<u>6,517,384</u>	<u>16,855,773</u>
Total	1,117	1,229	2,346	\$ 95,074,392	\$ 75,948,566	\$ 171,022,958



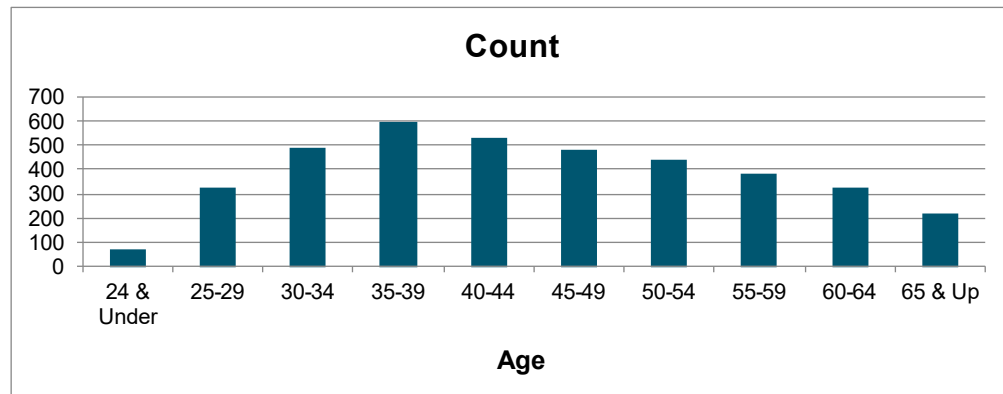
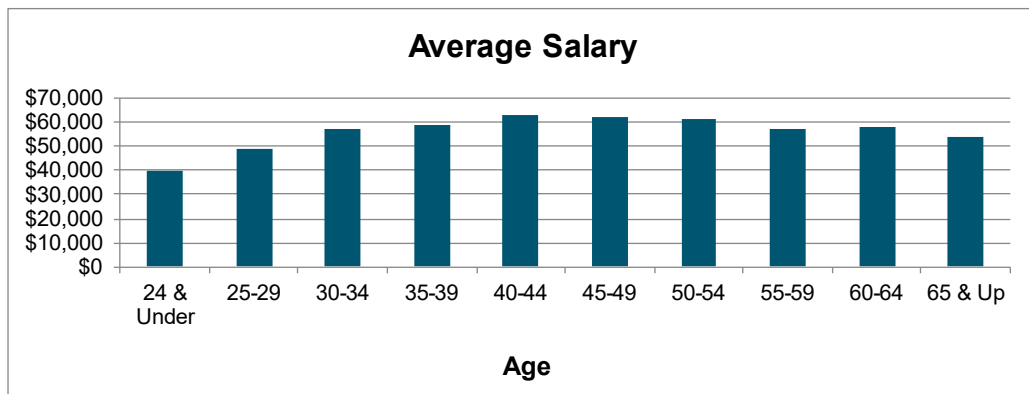


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

General Employees – Tier 2

Age	Count			Reported FY 2025 Earnings		
	Male	Female	Total	Male	Female	Total
24 & Under	30	38	68	\$ 1,405,546	\$ 1,273,697	\$ 2,679,243
25-29	151	175	326	7,741,634	8,066,729	15,808,363
30-34	209	281	490	13,621,091	14,234,142	27,855,233
35-39	236	358	594	16,075,160	18,773,511	34,848,671
40-44	241	294	535	17,653,674	15,821,331	33,475,005
45-49	208	275	483	14,930,248	14,806,769	29,737,017
50-54	178	263	441	12,268,932	14,513,273	26,782,205
55-59	173	214	387	11,531,816	10,478,782	22,010,598
60-64	151	177	328	10,355,766	8,534,628	18,890,394
65 & Up	<u>99</u>	<u>117</u>	<u>216</u>	<u>6,674,570</u>	<u>4,894,727</u>	<u>11,569,297</u>
Total	1,676	2,192	3,868	\$ 112,258,437	\$ 111,397,589	\$ 223,656,026



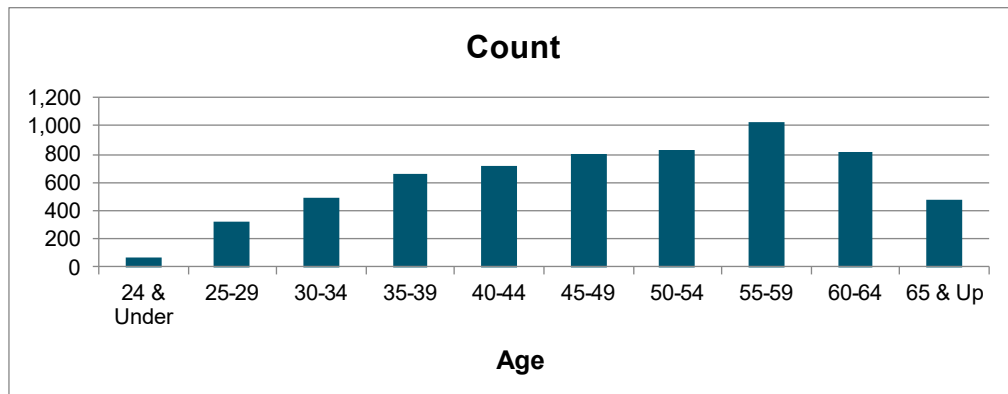
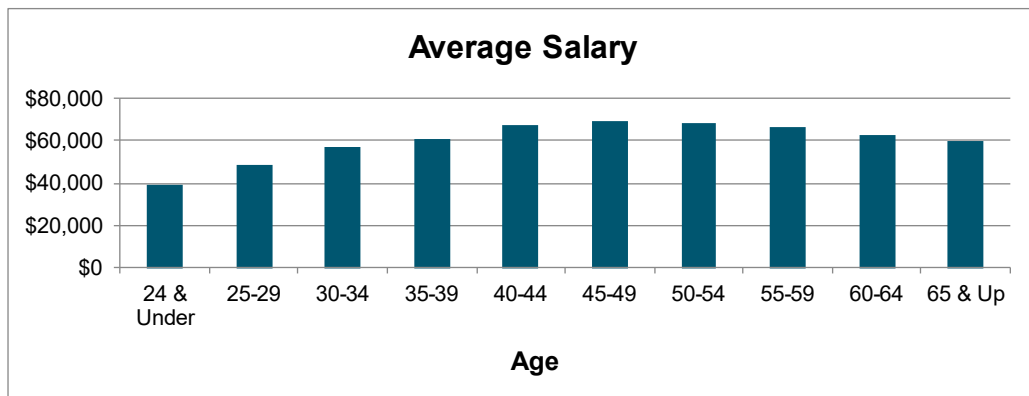


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

General Employees – Total

Age	Count			Reported FY 2025 Earnings		
	Male	Female	Total	Male	Female	Total
24 & Under	30	38	68	\$ 1,405,546	\$ 1,273,697	\$ 2,679,243
25-29	151	175	326	7,741,634	8,066,729	15,808,363
30-34	213	283	496	13,874,807	14,309,783	28,184,590
35-39	270	395	665	19,167,421	21,459,311	40,626,732
40-44	340	382	722	26,737,829	21,747,605	48,485,434
45-49	357	449	806	27,945,345	28,068,113	56,013,458
50-54	367	458	825	29,014,079	27,013,779	56,027,858
55-59	486	534	1,020	37,549,489	29,911,329	67,460,818
60-64	354	458	812	26,883,720	24,083,698	50,967,418
65 & Up	<u>225</u>	<u>249</u>	<u>474</u>	<u>17,012,959</u>	<u>11,412,111</u>	<u>28,425,070</u>
Total	2,793	3,421	6,214	\$ 207,332,829	\$ 187,346,155	\$ 394,678,984



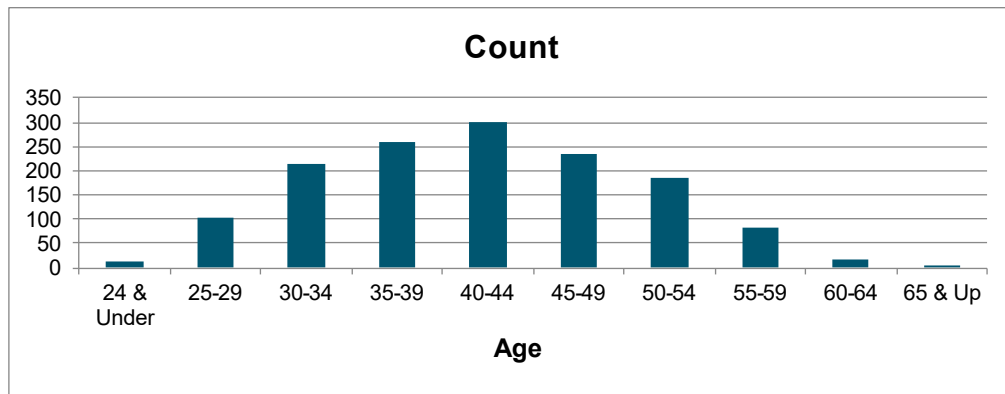
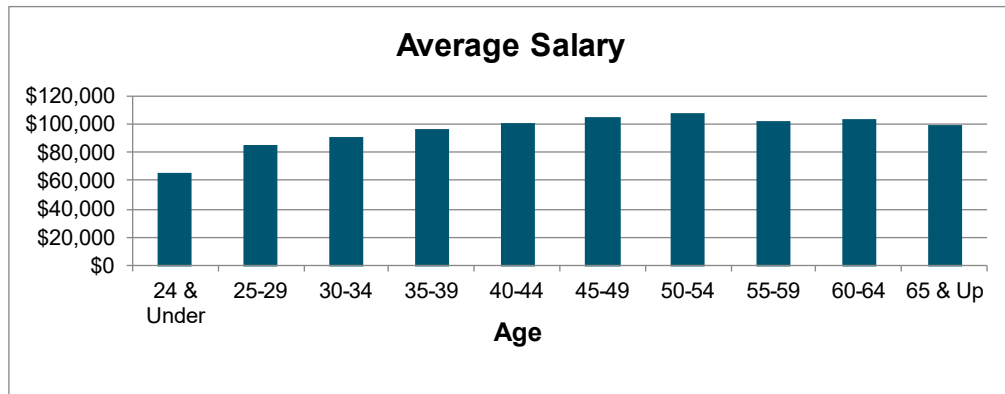


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

Policemen

Age	Count			Reported FY 2025 Earnings		
	Male	Female	Total	Male	Female	Total
24 & Under	10	1	11	\$ 645,520	\$ 82,513	\$ 728,033
25-29	77	25	102	6,505,135	2,167,236	8,672,371
30-34	181	31	212	16,465,696	2,818,496	19,284,192
35-39	224	37	261	21,515,263	3,537,347	25,052,610
40-44	256	43	299	25,564,212	4,625,010	30,189,222
45-49	194	41	235	20,378,721	4,232,200	24,610,921
50-54	166	20	186	17,747,431	2,206,140	19,953,571
55-59	68	16	84	6,985,585	1,620,829	8,606,414
60-64	14	2	16	1,438,719	223,967	1,662,686
65 & Up	<u>1</u>	<u>0</u>	<u>1</u>	<u>99,825</u>	<u>0</u>	<u>99,825</u>
Total	1,191	216	1,407	\$ 117,346,107	\$ 21,513,738	\$ 138,859,845



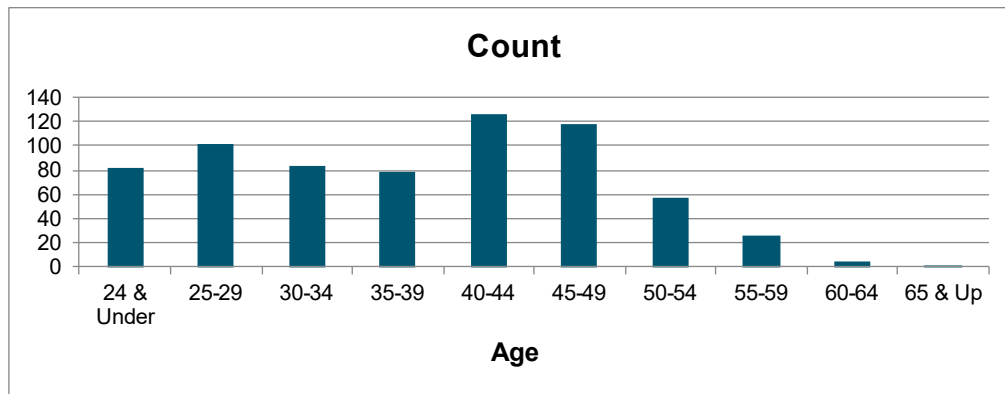
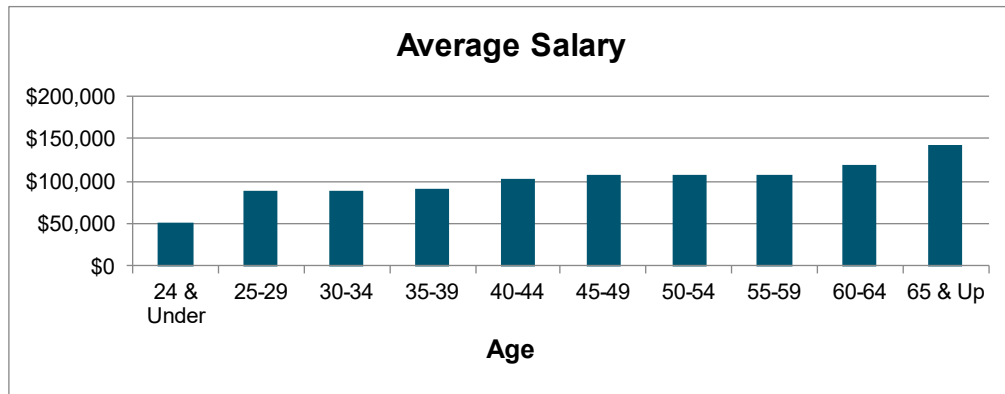


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

Firemen

Age	Count			Reported FY 2025 Earnings		
	Male	Female	Total	Male	Female	Total
24 & Under	65	16	81	\$ 3,302,905	\$ 752,034	\$ 4,054,939
25-29	82	19	101	7,220,830	1,632,472	8,853,302
30-34	76	7	83	6,736,654	665,788	7,402,442
35-39	71	7	78	6,406,492	648,565	7,055,057
40-44	121	5	126	12,429,863	495,224	12,925,087
45-49	116	2	118	12,364,718	231,144	12,595,862
50-54	55	2	57	5,914,598	202,827	6,117,425
55-59	26	0	26	2,805,922	0	2,805,922
60-64	3	1	4	358,325	118,369	476,694
65 & Up	<u>1</u>	<u>0</u>	<u>1</u>	<u>143,319</u>	<u>0</u>	<u>143,319</u>
Total	616	59	675	\$ 57,683,626	\$ 4,746,423	\$ 62,430,049





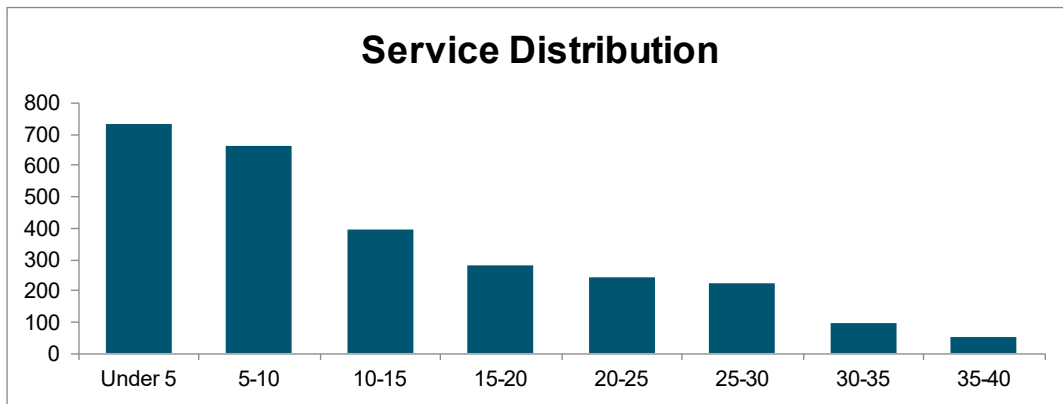
APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

General City*

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	17	0	0	0	0	0	0	0	17
25-29	107	14	0	0	0	0	0	0	121
30-34	123	73	8	0	0	0	0	0	204
35-39	126	105	43	15	0	0	0	0	289
40-44	91	104	81	36	18	1	0	0	331
45-49	90	100	71	69	51	16	0	0	397
50-54	70	95	54	38	52	65	11	1	386
55-59	48	71	61	62	68	93	35	7	445
60-64	40	62	46	41	36	33	36	21	315
65 & Up	18	38	29	18	17	14	14	24	172
Total	730	662	393	279	242	222	96	53	2,677

* Includes Elected Officials, General Employees of the City of Milwaukee, and Redevelopment Authority



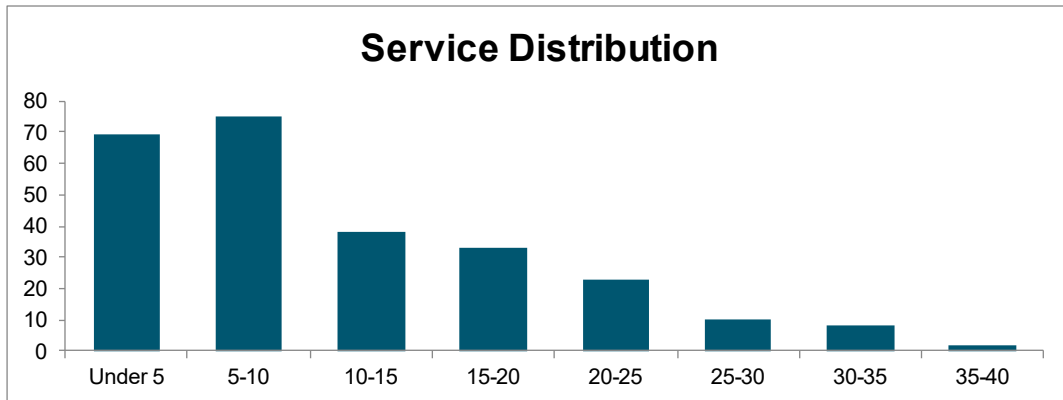


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

Water Department

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	2	0	0	0	0	0	0	0	2
25-29	10	1	0	0	0	0	0	0	11
30-34	17	14	1	0	0	0	0	0	32
35-39	10	7	4	1	0	0	0	0	22
40-44	8	14	7	3	2	0	0	0	34
45-49	5	7	4	7	6	2	0	0	31
50-54	10	12	3	8	3	2	0	0	38
55-59	3	10	9	7	6	3	7	1	46
60-64	2	7	8	6	6	2	1	1	33
65 & Up	2	3	2	1	0	1	0	0	9
Total	69	75	38	33	23	10	8	2	258



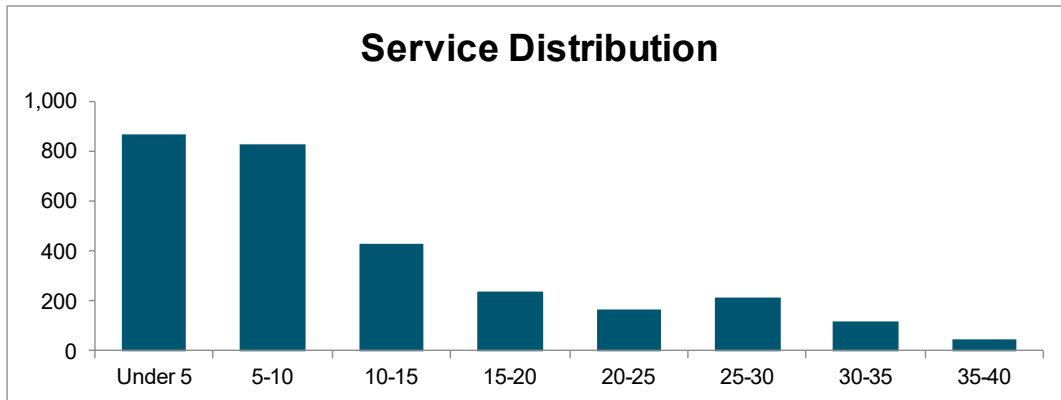


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

School Board

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	45	1	0	0	0	0	0	0	46
25-29	137	32	0	0	0	0	0	0	169
30-34	129	83	14	0	0	0	0	0	226
35-39	128	128	40	6	0	0	0	0	302
40-44	96	115	72	20	7	0	0	0	310
45-49	77	121	62	39	15	18	0	0	332
50-54	75	97	67	38	28	35	16	0	356
55-59	74	114	65	57	63	71	29	10	483
60-64	62	80	60	53	38	58	54	21	426
65 & Up	43	57	46	24	19	34	21	20	264
Total	866	828	426	237	170	216	120	51	2,914



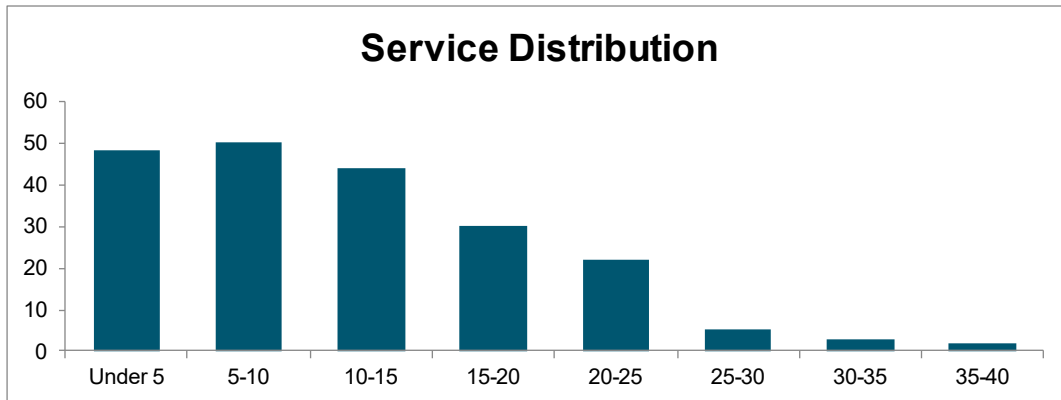


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

Sewerage Commission

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	0	0	0	0	0	0	0	0	0
25-29	11	0	0	0	0	0	0	0	11
30-34	11	9	1	0	0	0	0	0	21
35-39	9	16	13	1	0	0	0	0	39
40-44	4	10	9	7	0	0	0	0	30
45-49	4	4	6	8	3	0	0	0	25
50-54	5	5	6	7	6	0	0	0	29
55-59	1	3	4	4	5	2	0	1	20
60-64	2	1	4	3	5	1	2	0	18
65 & Up	1	2	1	0	3	2	1	1	11
Total	48	50	44	30	22	5	3	2	204



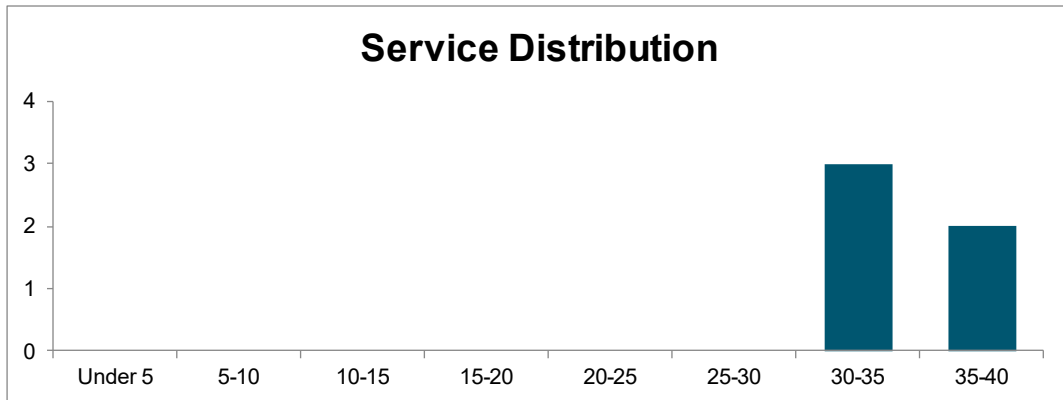


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

Veolia

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	3	0	3
65 & Up	0	0	0	0	0	0	0	2	2
Total	0	0	0	0	0	0	3	2	5



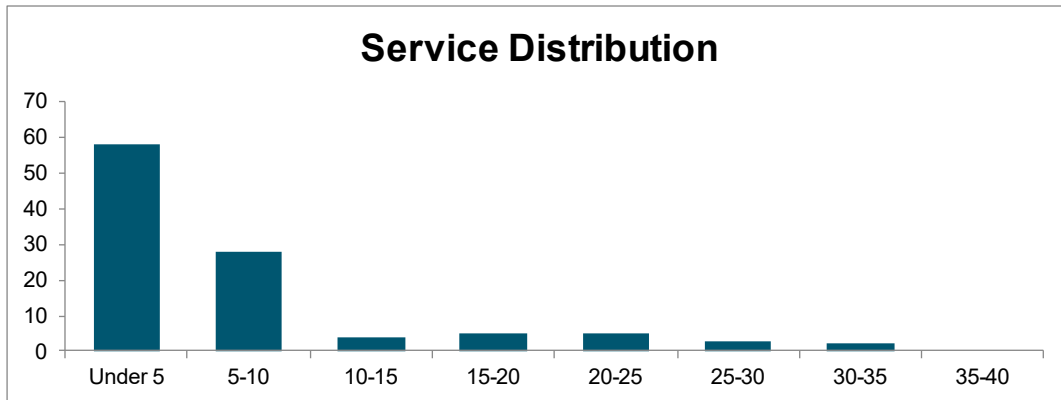


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

Wisconsin District Center

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	3	0	0	0	0	0	0	0	3
25-29	9	4	0	0	0	0	0	0	13
30-34	10	2	0	0	0	0	0	0	12
35-39	5	4	0	0	0	0	0	0	9
40-44	10	1	0	1	1	0	0	0	13
45-49	3	3	1	2	1	0	0	0	10
50-54	4	4	1	0	1	1	0	0	11
55-59	4	3	1	1	0	1	2	0	12
60-64	6	3	0	0	0	1	0	0	10
65 & Up	4	4	1	1	2	0	0	0	12
Total	58	28	4	5	5	3	2	0	105



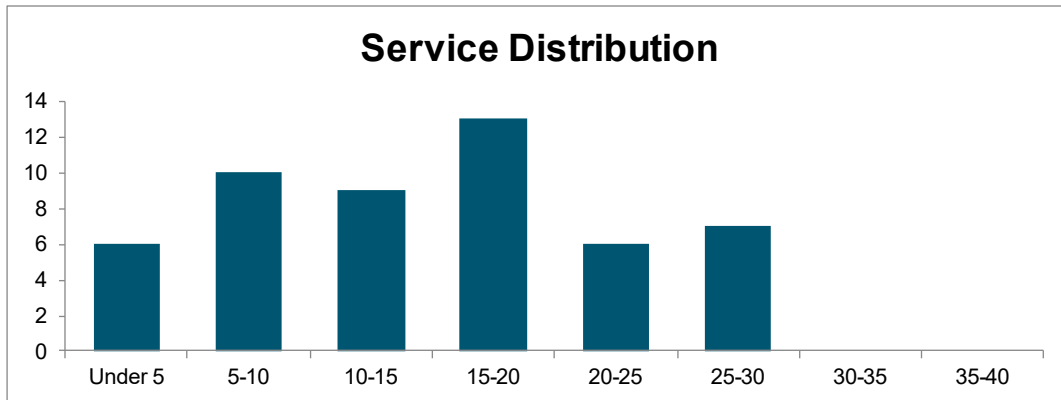


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

Housing Authority

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	0	0	0	0	0	0	0	0	0
25-29	1	0	0	0	0	0	0	0	1
30-34	0	0	1	0	0	0	0	0	1
35-39	2	1	0	1	0	0	0	0	4
40-44	0	2	1	1	0	0	0	0	4
45-49	2	1	3	4	1	0	0	0	11
50-54	0	3	2	0	0	0	0	0	5
55-59	0	1	1	4	4	4	0	0	14
60-64	0	1	1	2	1	2	0	0	7
65 & Up	1	1	0	1	0	1	0	0	4
Total	6	10	9	13	6	7	0	0	51



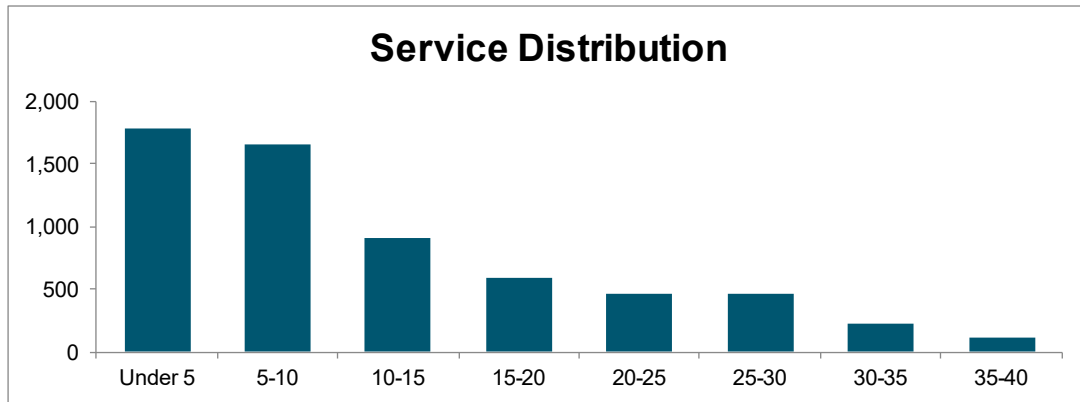


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

General Employees – Total

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	67	1	0	0	0	0	0	0	68
25-29	275	51	0	0	0	0	0	0	326
30-34	290	181	25	0	0	0	0	0	496
35-39	280	261	100	24	0	0	0	0	665
40-44	209	246	170	68	28	1	0	0	722
45-49	181	236	147	129	77	36	0	0	806
50-54	164	216	133	91	90	103	27	1	825
55-59	130	202	141	135	146	174	73	19	1,020
60-64	112	154	119	105	86	97	96	43	812
65 & Up	69	105	79	45	41	52	36	47	474
Total	1,777	1,653	914	597	468	463	232	110	6,214



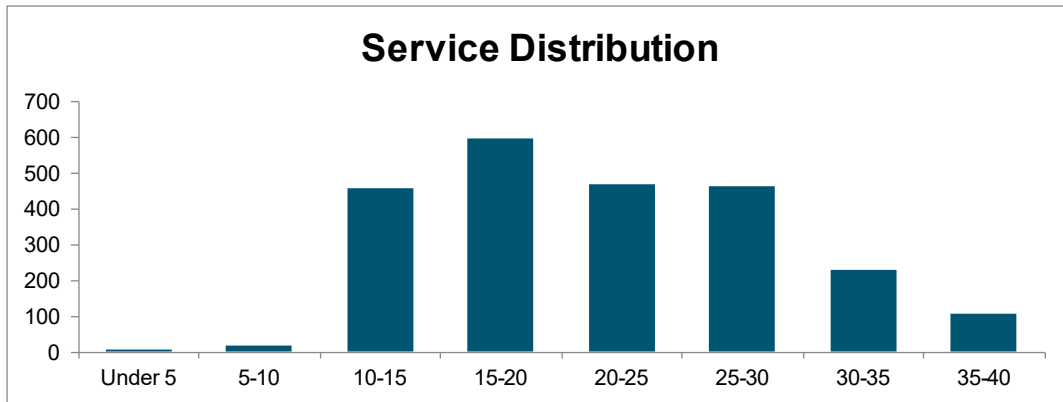


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

General Employees – Tier 1

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0
30-34	0	0	6	0	0	0	0	0	6
35-39	0	0	47	24	0	0	0	0	71
40-44	1	4	85	68	28	1	0	0	187
45-49	1	3	77	129	77	36	0	0	323
50-54	0	3	69	91	90	103	27	1	384
55-59	0	5	81	135	146	174	73	19	633
60-64	1	0	56	105	86	97	96	43	484
65 & Up	0	2	35	45	41	52	36	47	258
Total	3	17	456	597	468	463	232	110	2,346



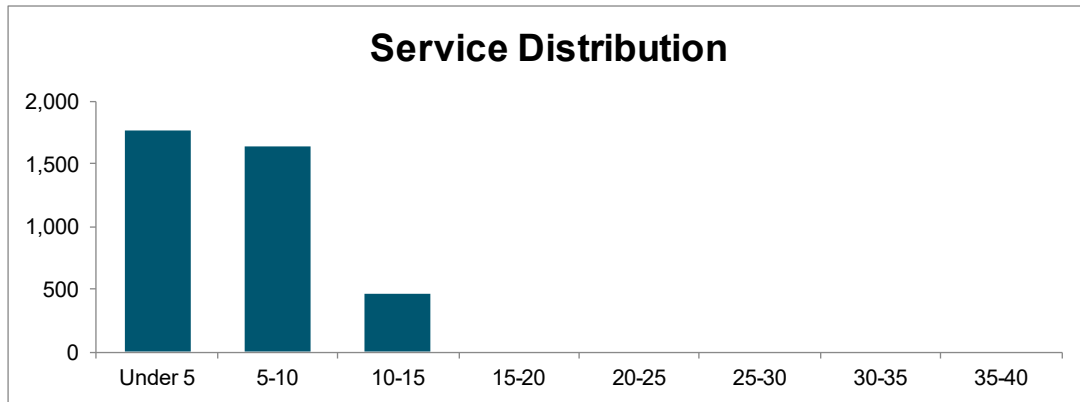


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

General Employees – Tier 2

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	67	1	0	0	0	0	0	0	68
25-29	275	51	0	0	0	0	0	0	326
30-34	290	181	19	0	0	0	0	0	490
35-39	280	261	53	0	0	0	0	0	594
40-44	208	242	85	0	0	0	0	0	535
45-49	180	233	70	0	0	0	0	0	483
50-54	164	213	64	0	0	0	0	0	441
55-59	130	197	60	0	0	0	0	0	387
60-64	111	154	63	0	0	0	0	0	328
65 & Up	69	103	44	0	0	0	0	0	216
Total	1,774	1,636	458	0	0	0	0	0	3,868



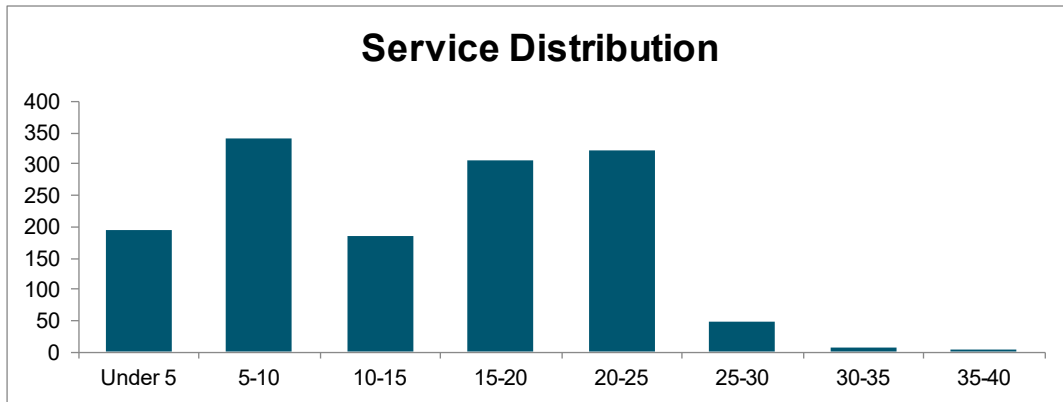


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

Policemen

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	11	0	0	0	0	0	0	0	11
25-29	69	33	0	0	0	0	0	0	102
30-34	60	108	34	10	0	0	0	0	212
35-39	29	105	61	56	10	0	0	0	261
40-44	18	56	64	111	45	5	0	0	299
45-49	3	26	15	85	102	4	0	0	235
50-54	3	11	7	29	108	27	1	0	186
55-59	1	2	3	14	49	8	6	1	84
60-64	0	1	2	2	8	2	1	0	16
65 & Up	0	0	0	0	0	1	0	0	1
Total	194	342	186	307	322	47	8	1	1,407



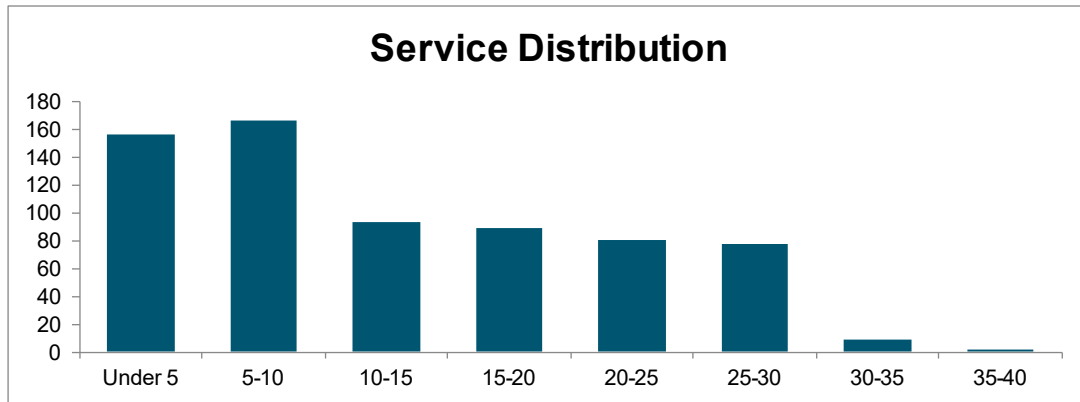


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2026

Firemen

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	81	0	0	0	0	0	0	0	81
25-29	30	71	0	0	0	0	0	0	101
30-34	19	37	27	0	0	0	0	0	83
35-39	16	32	12	8	10	0	0	0	78
40-44	6	14	28	35	32	11	0	0	126
45-49	4	8	19	25	15	43	4	0	118
50-54	1	2	6	14	19	14	1	0	57
55-59	0	2	2	7	4	7	4	0	26
60-64	0	0	0	0	1	3	0	0	4
65 & Up	0	0	0	0	0	0	0	1	1
Total	157	166	94	89	81	78	9	1	675



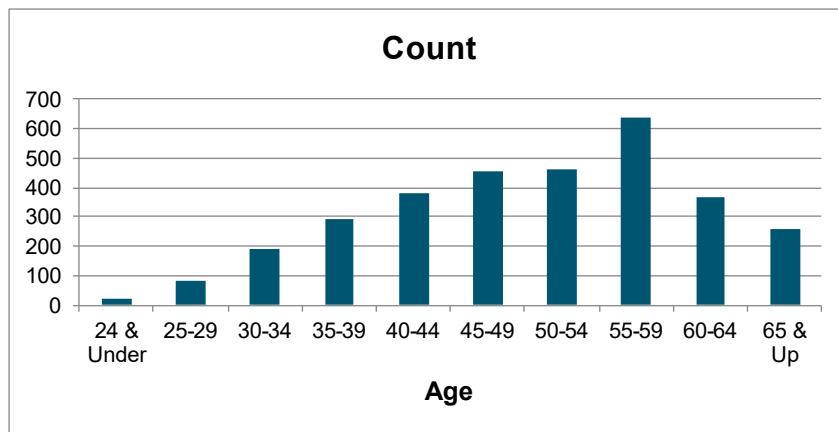
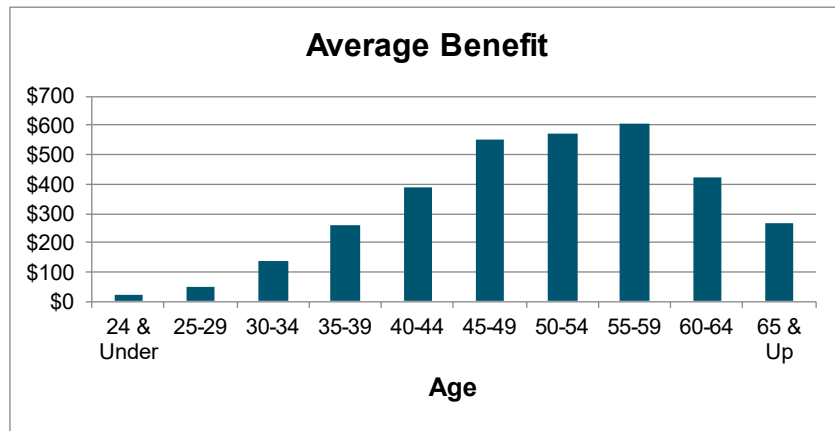


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF INACTIVE VESTED MEMBERS AS OF JANUARY 1, 2026

General Employees

Age	Count			Estimated Monthly Benefits		
	Male	Female	Total	Male	Female	Total
24 & Under	5	18	23	\$ 350	\$ 231	\$ 581
25-29	34	50	84	1,773	2,613	4,386
30-34	80	111	191	10,599	16,102	26,701
35-39	114	181	295	30,707	46,121	76,828
40-44	142	240	382	65,676	81,766	147,442
45-49	176	280	456	103,536	146,491	250,027
50-54	198	267	465	141,009	125,490	266,499
55-59	254	383	637	177,193	207,871	385,064
60-64	150	220	370	65,946	91,367	157,313
65 & Up	<u>113</u>	<u>144</u>	<u>257</u>	<u>33,559</u>	<u>34,378</u>	<u>67,937</u>
Total	1,266	1,894	3,160	\$ 630,348	\$ 752,430	\$ 1,382,778



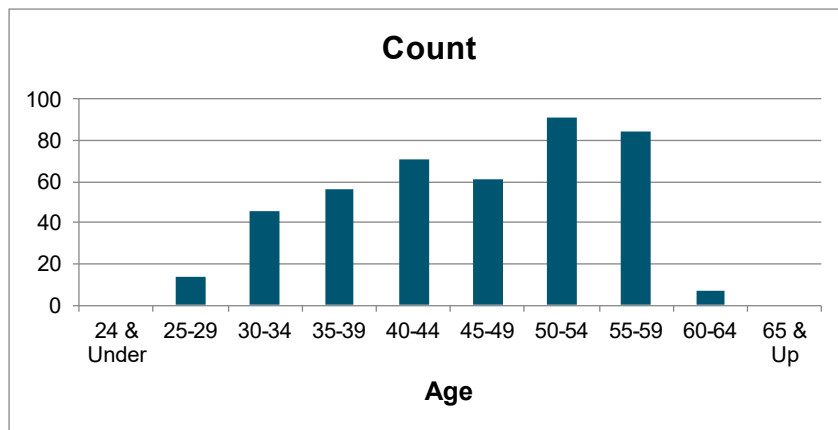
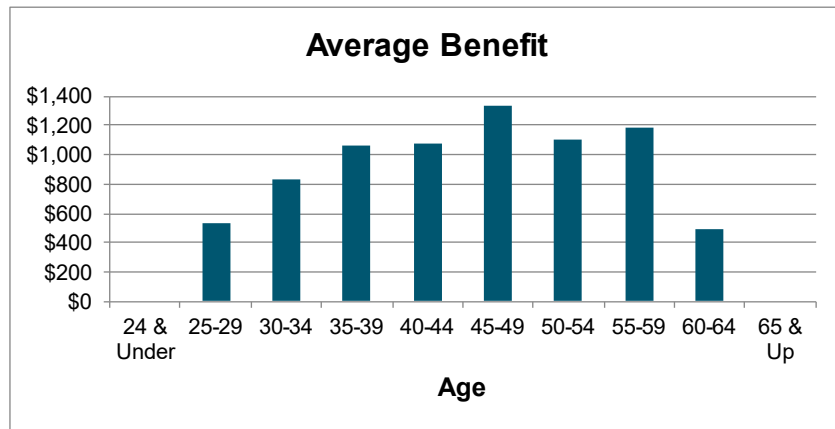


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF INACTIVE VESTED MEMBERS AS OF JANUARY 1, 2026

Policemen

Age	Count			Estimated Monthly Benefits		
	Male	Female	Total	Male	Female	Total
24 & Under	0	0	0	\$ 0	\$ 0	\$ 0
25-29	11	3	14	5,722	1,788	7,510
30-34	36	10	46	32,189	6,191	38,380
35-39	41	15	56	41,174	18,585	59,759
40-44	58	13	71	66,857	9,147	76,004
45-49	44	17	61	62,650	18,522	81,172
50-54	64	27	91	77,254	23,528	100,782
55-59	67	17	84	82,937	17,100	100,037
60-64	7	0	7	3,473	0	3,473
65 & Up	0	0	0	0	0	0
Total	328	102	430	\$ 372,256	\$ 94,861	\$ 467,117



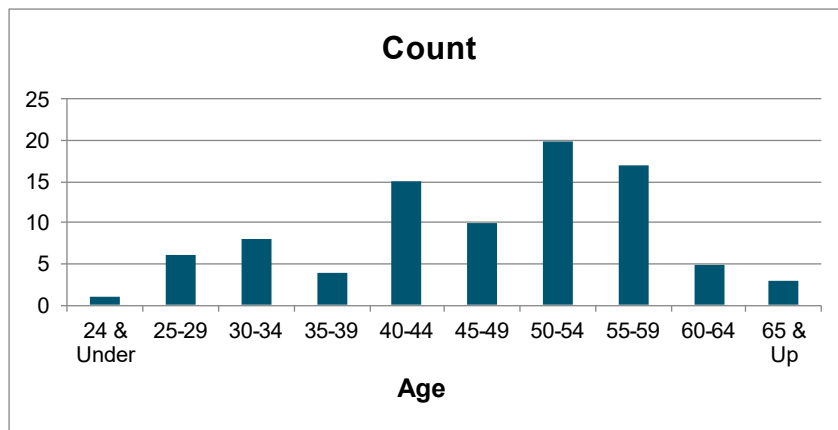
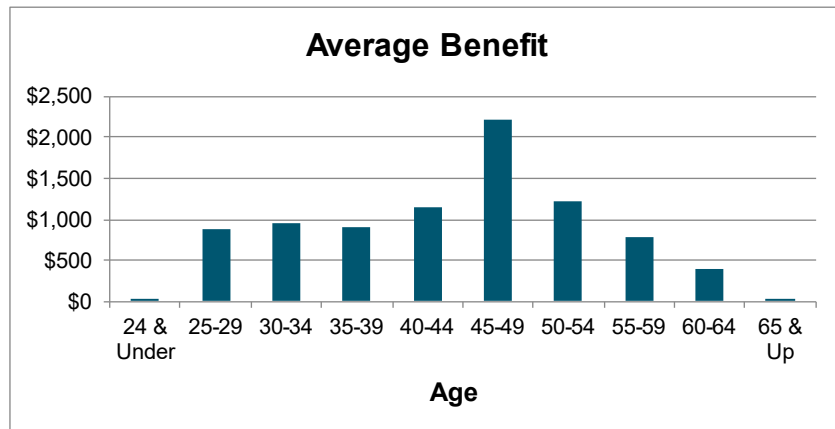


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF INACTIVE VESTED MEMBERS AS OF JANUARY 1, 2026

Firemen

Age	Count			Estimated Monthly Benefits		
	Male	Female	Total	Male	Female	Total
24 & Under	1	0	1	\$ 4	\$ 0	\$ 4
25-29	4	2	6	3,750	1,596	5,346
30-34	8	0	8	7,698	0	7,698
35-39	4	0	4	3,665	0	3,665
40-44	14	1	15	17,132	9	17,141
45-49	10	0	10	22,053	0	22,053
50-54	19	1	20	24,151	10	24,161
55-59	16	1	17	13,489	20	13,509
60-64	5	0	5	2,011	0	2,011
65 & Up	<u>3</u>	<u>0</u>	<u>3</u>	<u>91</u>	<u>0</u>	<u>91</u>
Total	84	5	89	\$ 94,044	\$ 1,635	\$ 95,679





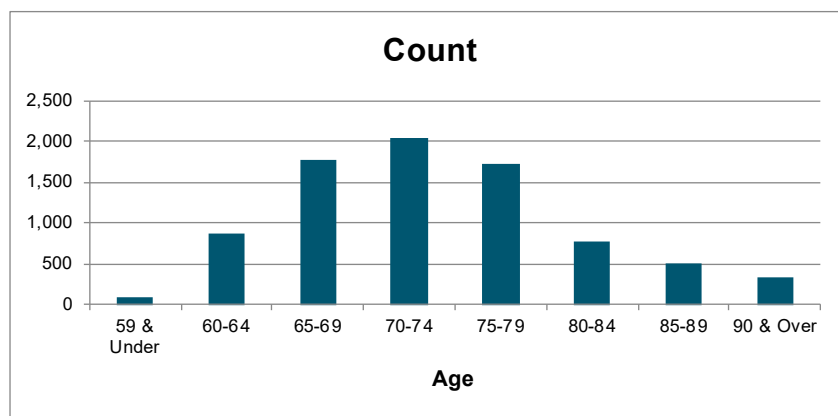
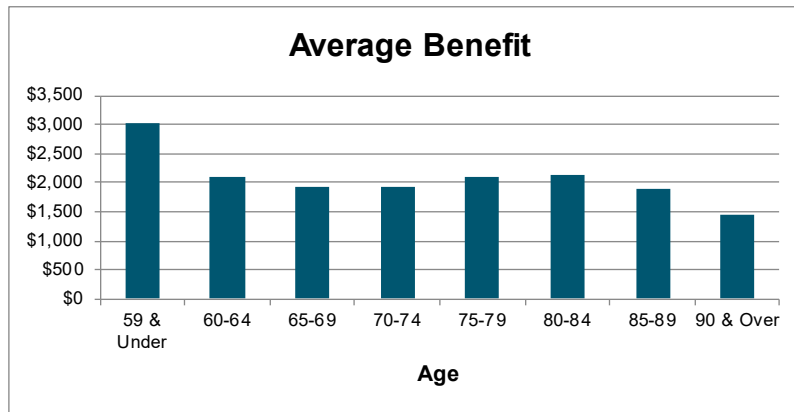
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF RETIRED MEMBERS AS OF JANUARY 1, 2026

General Employees

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	61	36	97	\$ 202,579	\$ 91,608	\$ 294,187
60-64	381	495	876	962,905	874,287	1,837,192
65-69	831	937	1,768	1,978,593	1,463,504	3,442,097
70-74	949	1,103	2,052	2,307,430	1,650,768	3,958,198
75-79	848	875	1,723	2,252,302	1,357,203	3,609,505
80-84	358	423	781	1,082,202	583,840	1,666,042
85-89	207	293	500	601,327	339,799	941,126
90 & Over	<u>119</u>	<u>214</u>	<u>333</u>	<u>313,824</u>	<u>174,674</u>	<u>488,498</u>
Total	3,754	4,376	8,130	\$ 9,701,162	\$ 6,535,683	\$ 16,236,845

Note: The counts shown are for members who are receiving benefits as of January 1, 2026. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





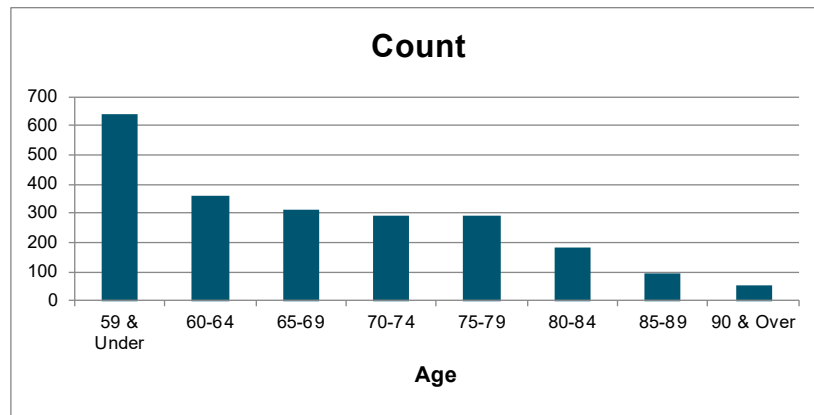
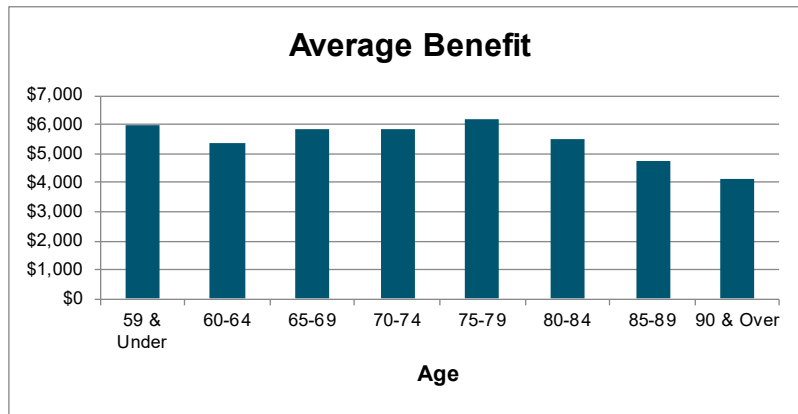
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF RETIRED MEMBERS AS OF JANUARY 1, 2026

Policemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	503	137	640	\$ 3,016,802	\$ 812,921	\$ 3,829,723
60-64	298	61	359	1,600,585	327,048	1,927,633
65-69	247	63	310	1,453,057	365,063	1,818,120
70-74	253	36	289	1,475,785	206,583	1,682,368
75-79	269	24	293	1,673,450	131,822	1,805,272
80-84	179	2	181	987,731	9,928	997,659
85-89	94	1	95	447,303	4,345	451,648
90 & Over	<u>54</u>	<u>1</u>	<u>55</u>	<u>224,912</u>	<u>3,179</u>	<u>228,091</u>
Total	1,897	325	2,222	\$ 10,879,625	\$ 1,860,889	\$ 12,740,514

Note: The counts shown are for members who are receiving benefits as of January 1, 2026. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





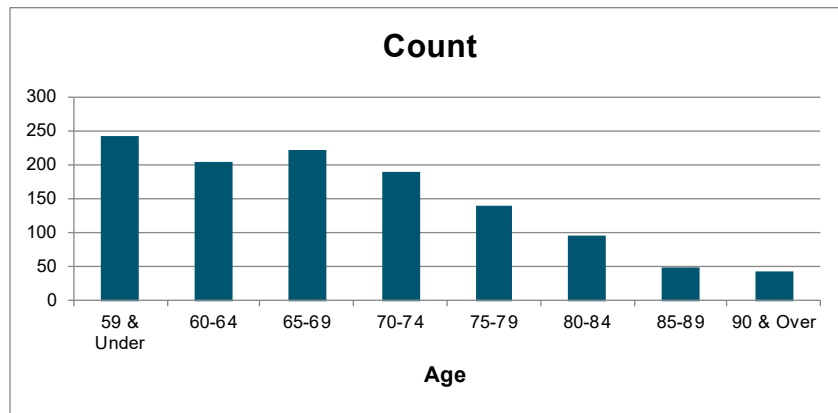
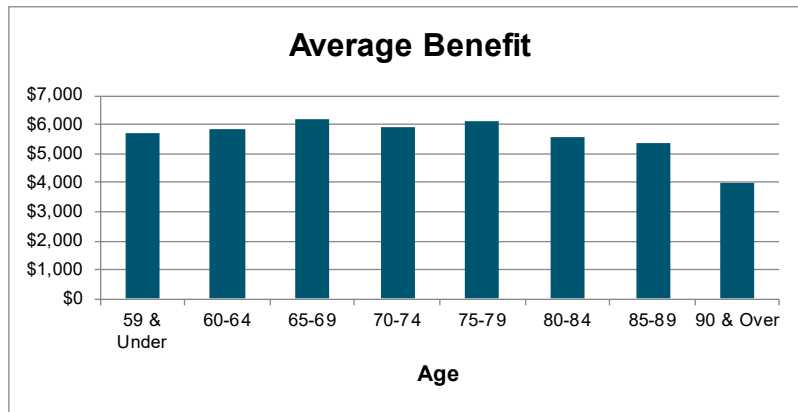
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF RETIRED MEMBERS AS OF JANUARY 1, 2026

Firemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	232	10	242	\$ 1,328,994	\$ 54,961	\$ 1,383,955
60-64	187	17	204	1,090,398	101,509	1,191,907
65-69	205	17	222	1,257,640	107,905	1,365,545
70-74	181	9	190	1,081,939	35,182	1,117,121
75-79	137	2	139	836,818	11,201	848,019
80-84	97	0	97	543,289	0	543,289
85-89	49	0	49	262,258	0	262,258
90 & Over	<u>41</u>	<u>1</u>	<u>42</u>	<u>164,822</u>	<u>4,420</u>	<u>169,242</u>
Total	1,129	56	1,185	\$ 6,566,158	\$ 315,178	\$ 6,881,336

Note: The counts shown are for members who are receiving benefits as of January 1, 2026. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





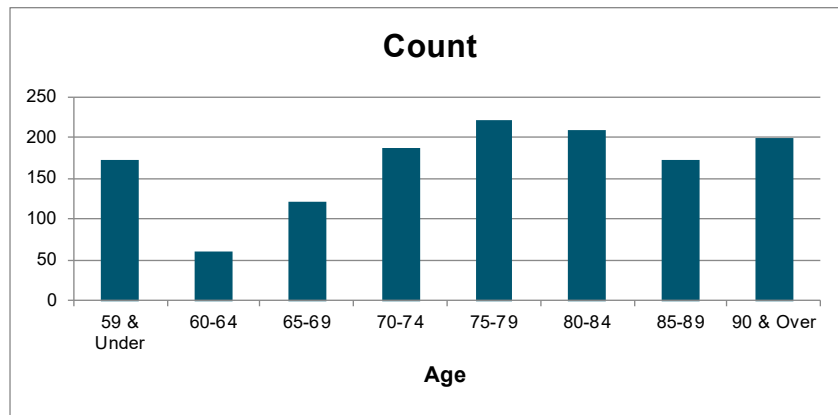
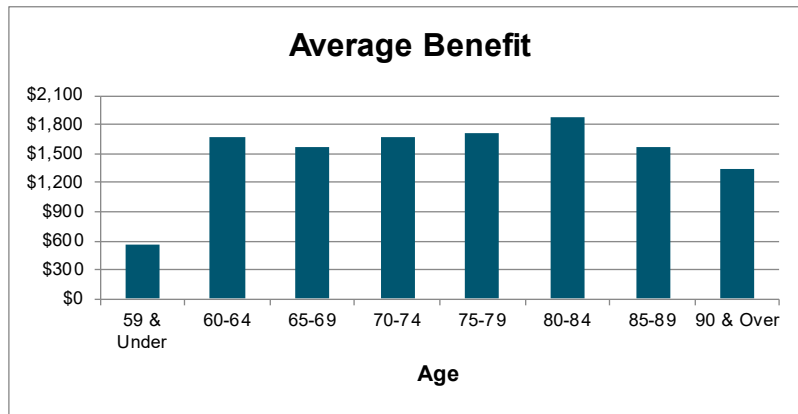
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF BENEFICIARIES AS OF JANUARY 1, 2026

General Employees

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	66	107	173	\$ 35,058	\$ 62,620	\$ 97,678
60-64	11	50	61	6,007	96,504	102,511
65-69	22	98	120	22,233	166,986	189,219
70-74	27	160	187	29,728	280,830	310,558
75-79	38	184	222	36,761	344,789	381,550
80-84	27	183	210	26,040	369,567	395,607
85-89	17	155	172	16,403	254,718	271,121
90 & Over	<u>20</u>	<u>180</u>	<u>200</u>	<u>12,359</u>	<u>257,874</u>	<u>270,233</u>
Total	228	1,117	1,345	\$ 184,589	\$ 1,833,888	\$ 2,018,477

Note: The counts shown are for members who are receiving benefits as of January 1, 2026. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





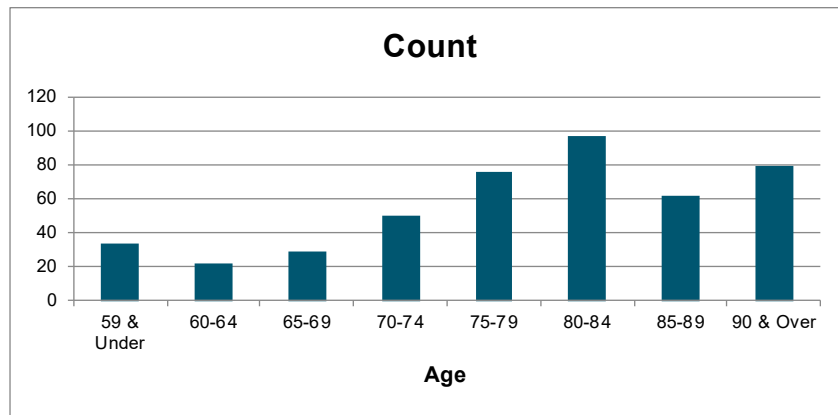
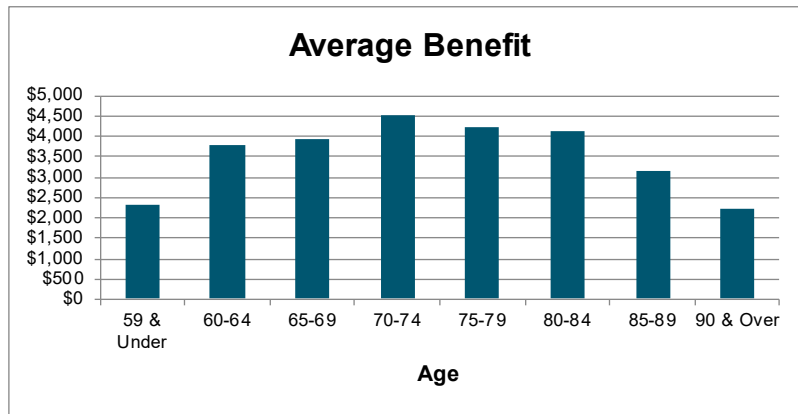
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF BENEFICIARIES AS OF JANUARY 1, 2026

Policemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	5	28	33	\$ 4,806	\$ 72,482	\$ 77,288
60-64	2	20	22	5,851	77,807	83,658
65-69	2	27	29	3,200	110,464	113,664
70-74	3	47	50	7,500	218,205	225,705
75-79	1	75	76	1,193	320,247	321,440
80-84	0	97	97	0	397,780	397,780
85-89	0	62	62	0	194,336	194,336
90 & Over	<u>0</u>	<u>79</u>	<u>79</u>	<u>0</u>	<u>176,249</u>	<u>176,249</u>
Total	13	435	448	\$ 22,550	\$ 1,567,570	\$ 1,590,120

Note: The counts shown are for members who are receiving benefits as of January 1, 2026. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





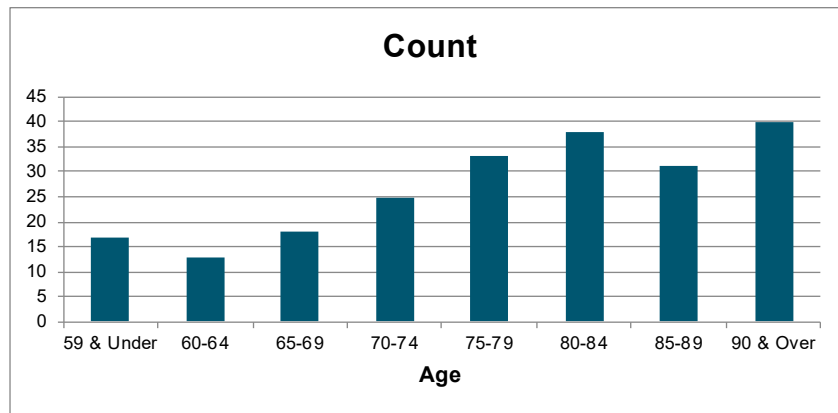
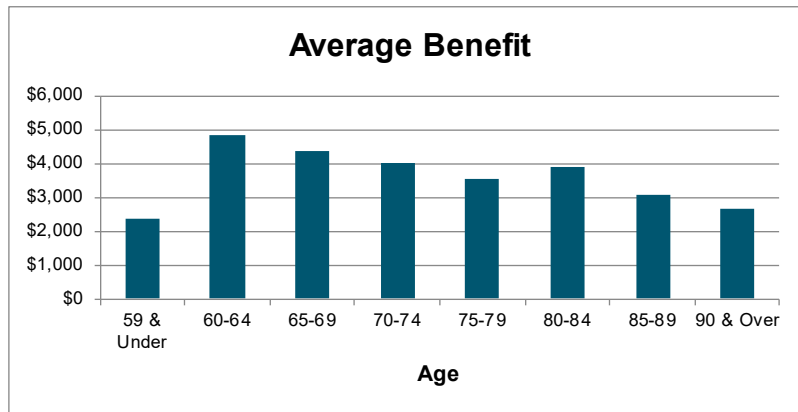
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF BENEFICIARIES AS OF JANUARY 1, 2026

Firemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	6	11	17	\$ 3,628	\$ 37,034	\$ 40,662
60-64	2	11	13	6,774	55,844	62,618
65-69	0	18	18	0	78,850	78,850
70-74	0	25	25	0	100,222	100,222
75-79	0	33	33	0	117,327	117,327
80-84	0	38	38	0	148,511	148,511
85-89	0	31	31	0	94,745	94,745
90 & Over	<u>0</u>	<u>40</u>	<u>40</u>	<u>0</u>	<u>106,304</u>	<u>106,304</u>
Total	8	207	215	\$ 10,402	\$ 738,837	\$ 749,239

Note: The counts shown are for members who are receiving benefits as of January 1, 2026. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





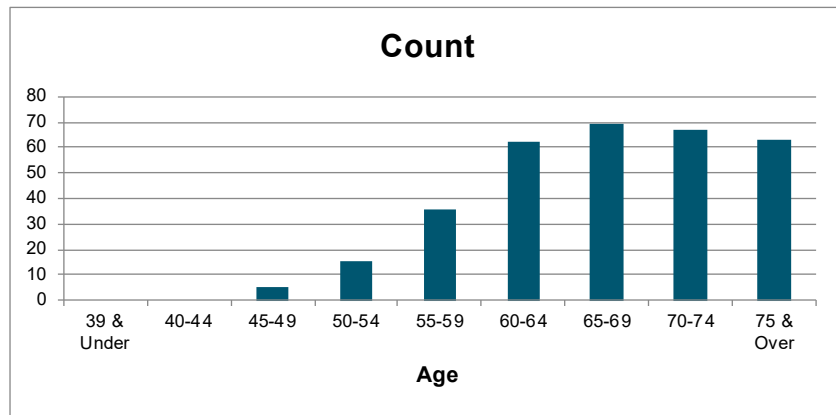
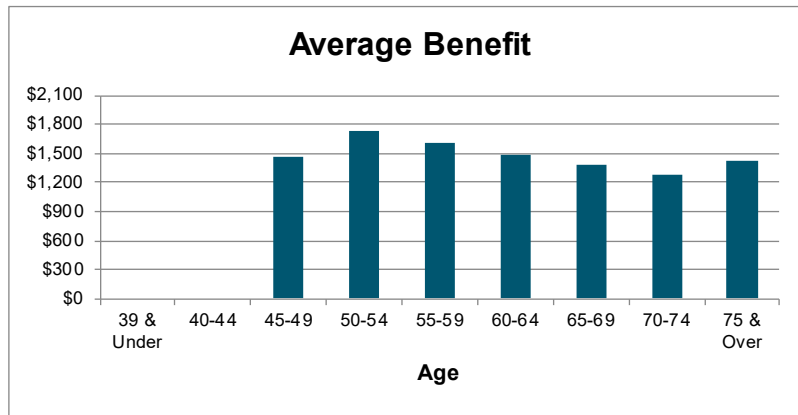
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF DISABLED MEMBERS AS OF JANUARY 1, 2026

General Employees

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
39 & Under	0	0	0	\$ 0	\$ 0	\$ 0
40-44	0	0	0	0	0	0
45-49	3	2	5	4,935	2,346	7,281
50-54	8	7	15	12,640	13,413	26,053
55-59	14	22	36	30,402	27,782	58,184
60-64	32	30	62	56,914	34,907	91,821
65-69	28	41	69	54,774	40,485	95,259
70-74	30	37	67	46,805	39,567	86,372
75 & Over	<u>33</u>	<u>30</u>	<u>63</u>	<u>56,340</u>	<u>33,612</u>	<u>89,952</u>
Total	148	169	317	\$ 262,810	\$ 192,112	\$ 454,922

Note: The counts shown are for members who are receiving benefits as of January 1, 2026. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





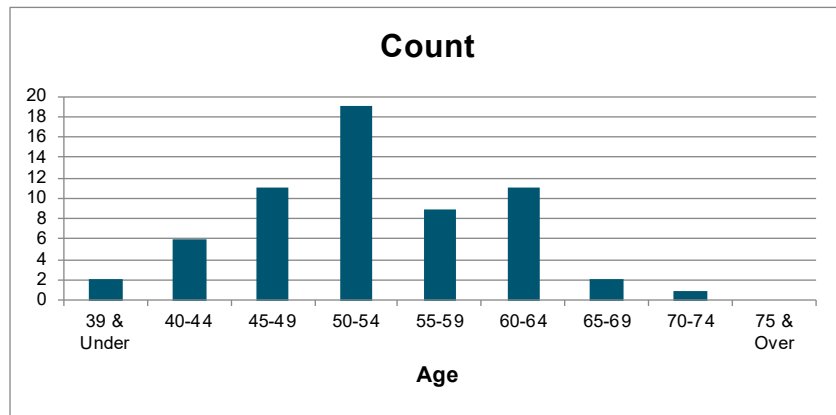
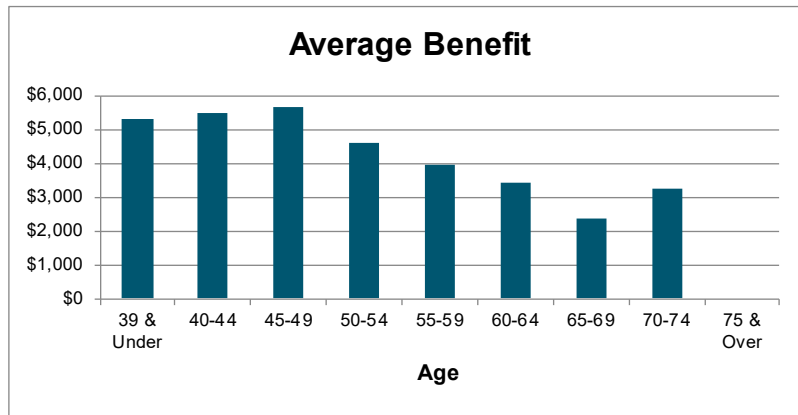
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF DISABLED MEMBERS AS OF JANUARY 1, 2026

Policemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
39 & Under	2	0	2	\$ 10,547	\$ 0	\$ 10,547
40-44	4	2	6	22,618	10,125	32,743
45-49	9	2	11	50,455	11,919	62,374
50-54	12	7	19	54,268	32,637	86,905
55-59	6	3	9	24,457	10,936	35,393
60-64	7	4	11	17,696	20,257	37,953
65-69	0	2	2	0	4,789	4,789
70-74	1	0	1	3,255	0	3,255
75 & Over	0	0	0	0	0	0
Total	41	20	61	\$ 183,296	\$ 90,663	\$ 273,959

Note: The counts shown are for members who are receiving benefits as of January 1, 2026. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





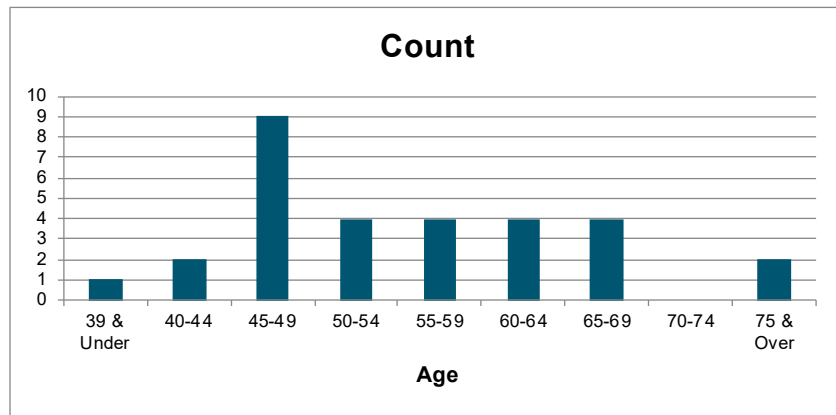
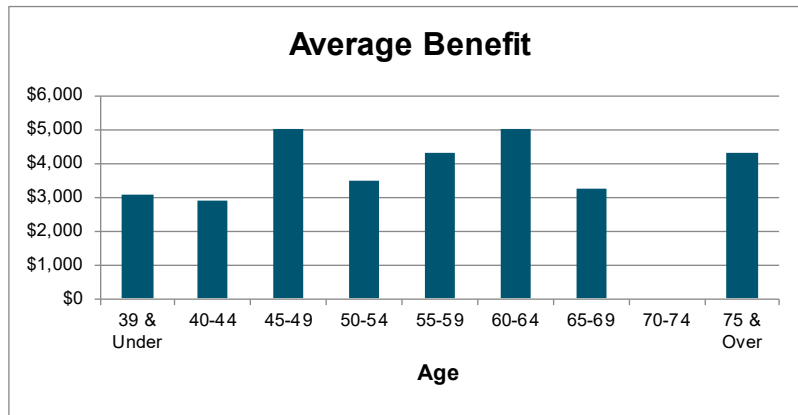
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF DISABLED MEMBERS AS OF JANUARY 1, 2026

Firemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
39 & Under	1	0	1	\$ 3,085	\$ 0	\$ 3,085
40-44	2	0	2	5,807	0	5,807
45-49	9	0	9	45,182	0	45,182
50-54	4	0	4	13,973	0	13,973
55-59	4	0	4	17,160	0	17,160
60-64	4	0	4	19,917	0	19,917
65-69	2	2	4	6,789	6,246	13,035
70-74	0	0	0	0	0	0
75 & Over	<u>2</u>	<u>0</u>	<u>2</u>	<u>8,605</u>	<u>0</u>	<u>8,605</u>
Total	28	2	30	\$ 120,518	\$ 6,246	\$ 126,764

Note: The counts shown are for members who are receiving benefits as of January 1, 2026. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

A summary of the main benefit provisions of the Retirement System and of the sources of revenue from which benefits are paid is presented in the following digest. Items in parentheses in the text are the provisions applicable to law enforcement officers.

Eligibility for Membership

Membership is optional for all Employees that were in service as of January 1, 1938. Individuals employed prior to January 1, 2024 are automatically members as a condition of employment. Membership is optional for public officials elected prior to January 1, 2024. Note that unless specifically stated, elected officials follow the same rules as General Employees.

Additionally, effective January 1, 2014, there are two tiers of benefits. Tier 1 is for General Employees enrolled prior to January 1, 2014, and all Fire and Police Employees. Tier 2 is for General Employees enrolled on or after January 1, 2014.

As a result of 2023 Wisconsin Act 12, employees hired on or after January 1, 2024 are not eligible to participate in ERS.

Participation in the Combined Fund

On January 19, 2001 the Combined Fund was created and was retroactive to January 1, 2000. Individuals who participate in the Combined Fund may be eligible for certain benefit enhancements which are described in this Summary of Plan Provisions. Members who enroll in the ERS after June 28, 2000, and their eligible survivors, are automatically participants in the Combined Fund. Members enrolled in the ERS on or before June 28, 2000, and their eligible survivors, participate in the Combined Fund provided that the members consented in writing to the Global Pension Settlement. Eligible survivors of members or retirees who died on or before June 28, 2000 participate in the Combined Fund provided that the eligible survivors consented in writing to the Global Pension Settlement. Members or survivors whose benefit payments ceased prior to January 1, 2000, are not eligible for benefits from the Combined Fund.

Creditable Service

Creditable service equals prior service plus membership service. Prior service includes service as an employee prior to January 1, 1938, or prior to an amendment which made the employee eligible for membership in the ERS. Membership service means service as an employee since last becoming a member, on account of which contributions are made.

- For most Employees, 2080 hours of service constitute one year of creditable service. For prevailing wage Employees (carpenters and other tradespeople) 2000 hours constitute one year. For members employed by the school board for a 10-month school year, 1600 hours of service constitute a year of creditable service. After July 2006, for members serving as firefighters, 2590 hours of service constitutes one year of creditable service.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

After September 2016, for members serving as firefighters, 2756 hours of service constitutes one year of creditable service.

- Under certain conditions creditable service may be granted for periods of absence due to military service.
- For purposes of computing the service retirement allowance only, creditable service is granted for periods of eligibility for a duty disability retirement allowance.
- No more than one year of creditable service is granted for service in a single calendar year.

Imputed Service

Imputed service credit may be granted, under specified conditions, to members who consented to the Global Pension Settlement. Imputed service credit is used to calculate the amount of certain benefits but is not used to determine eligibility for any kind of benefit. An individual may be eligible for one or more types of imputed service credit.

Eligibility for Imputed Service Credit

Only individuals participating in the Combined Fund can become eligible for the following types of imputed service credit.

- a) Imputed military service credit: The member must have been active in the armed forces of the United States of America prior to his or her enrollment in the ERS and must have been honorably discharged. A member must be described as in 36-04-1-c. An individual eligible for imputed military service credit must apply for the credit.
- b) Imputed fire and police service credit: The member must be described as in 36-04-4-a. The member must have been in active ERS service as a Fireman or Policeman as of January 1, 2000, and must also retire from ERS service as a Fireman or Policeman, or die while a Fireman or Policeman eligible for protective survivorship option benefits. To be eligible, the member must retire or die as a Policeman or Fireman and must have attained the minimum service retirement requirements as outlined in 36-05-1.
- c) Imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund, (the "Fund"): The member must be described as in 36-04-4-b. The member must have been a Policeman who was an active member of the "Fund" as of January 1, 2000. If the Policeman was in active ERS service as of January 1, 2000, he must either retire as a Policeman on a service retirement allowance at the minimum service retirement age of 57 or after completing 25 years of creditable service as a Fireman or Policeman; or he must retire on a Policeman's duty disability retirement allowance and subsequently





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

convert to a service retirement allowance. If the Policeman was retired on a duty disability retirement allowance as of January 1, 2000, then he must subsequently convert to a service retirement allowance.

Benefits Affected by Imputed Service Credit

- a) Imputed military service credit and/or imputed fire and police service credit: The amount of the service retirement allowance, the conversion service retirement allowance, protective survivorship option benefits, and the extended life duty disability retirement allowance are affected. If the eligible individual is also entitled to a 5% Lump Sum Bonus, and/or an 8.6% Dissolution Bonus that is based on the affected benefit, then the imputed service credit is included in calculating the base for the bonus payment(s).
- b) Imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund: The amount of the service retirement allowance and the conversion service retirement allowance are affected. If the service retirement allowance is affected, then the imputed service credit is included in calculating the base for the 5% Lump Sum Bonus.

See the benefit descriptions later in this summary for further details on how imputed service credit is used.

Amount of Imputed Service Credit

- a) Imputed military service credit: A period of eligible military service consists of a period of at least 90 consecutive days of active service in the armed forces of the United States prior to enrollment in the ERS. Total eligible military service equals the sum of all periods of eligible military service. Imputed military service credit equals one-third of the member's total eligible military service, to a maximum of three years of imputed military service credit.
- b) Imputed fire and police service credit: For Policemen and Firemen with 20 years of creditable service as a Fireman or Policeman - 1.5 years. For Firemen with less than 20 years of creditable service as a Fireman or Policeman: 1.5 years times the full years of creditable fire and police service, divided by 20.
- c) Imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund: 2 years.

Seasonal Service

Seasonal service credit may be granted under specified conditions to certain General City Employees. Seasonal service credit is used to calculate the amount of certain benefits but is not used to determine eligibility for any kind of benefit.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Eligibility for Seasonal Service Credit

In order to be eligible for seasonal service credit, a member must be a General City employee with five or more years of City service credit, and a member of one of the groups as outlined in 36-04-1-d.

Benefits Affected by Seasonal Service Credit

Seasonal service credit affects the amount of the service retirement allowance, the conversion service retirement allowance and protective survivorship option benefits. If the eligible individual is also entitled to a 5% Lump Sum Bonus that is based on the affected benefit, then the seasonal service credit is included in calculating the base for the bonus payment.

Amount of Seasonal Service Credit

Seasonal service is based on the hours worked as a City Labor-Seasonal employee and/or Playground Laborer-Seasonal employee (MPS) but limited to one year of additional service credit.

Qualifying for an ERS Benefit

Rules regarding qualifying time are encapsulated in the ERS Board Rules & Regulations, XV.G. The rules have been adopted and applied prospectively for enrollments prior to 1995, 1995 to 2001 and post 2001. All members are fully vested after attaining four years of qualifying time.

Earnable Compensation

The annual regular base salary that would be payable to a member if he or she worked the full normal working time for his or her position as described in 36-02-12. Earnable compensation for the calendar year preceding retirement may also include special pays as negotiated in labor agreements such as longevity in rank pay, (limited) variable shift assignment pay, police liaison officer pay, and/or certification pay for Policemen; and emergency medical technician pay for Firemen. Earnable compensation for school board Employees represented by Local 950, OEIU, also includes site differential pay.

Final Average Salary

- a) For General Employees, final average salary means the average annual earnable compensation computed on the 3 years of creditable service preceding retirement, death or separation from service during which earnable compensation was the highest.
- b) For Policemen and Firemen, final average salary means the average annual earnable compensation computed on the year of creditable service preceding retirement, death or separation from service during which earnable compensation was the highest.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- c) For members converting from a duty disability retirement allowance to a service retirement allowance, the service retirement allowance is computed based on the current compensation of the member's position at the service retirement date.

Service Retirement

Eligibility for Service Retirement

For Tier 1 Benefits (applicable to General Employees enrolled prior to January 1, 2014 and all Fire and Police Employees), eligibility for service retirement is as defined under 36-05-01 as follows:

- a) A service retirement allowance is payable to any member who elects to retire after attaining the minimum service retirement age, which is age 60 for General Employees and age 57 for Policemen and Firemen.
- b) General Employees that have attained age 55 and completed 30 years of qualifying time are eligible for service retirement.
- c) Policemen who participate in the Combined Fund are eligible for service retirement at any age after attaining 25 years of fire or police qualifying time, if they were hired prior to December 20, 2015.
- d) Policemen who participate in the Combined Fund, who have attained age 50 are eligible for service retirement after completing 25 years of police qualifying time, if they were hired on/after December 20, 2015.
- e) Firemen who participate in the Combined Fund, who have attained age 49 and completed 22 years of fire or police qualifying time, are eligible for service retirement, if they were hired prior to July 30, 2016.
- f) Firemen who participate in the Combined Fund, who have attained age 52 and completed 25 years of fire qualifying time, are eligible for service retirement, if they were hired on/after July 30, 2016.
- g) Policeman and Firemen who are not participants in the Combined Fund are eligible for service retirement after attaining age 52 and completing 25 years of fire or police qualifying time.

For Tier 2 Benefits (applicable to General Employees enrolled on or after January 1, 2014), eligibility for service retirement is as defined under 36-05-01 as follows:





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- a) A service retirement allowance is payable to any member who elects to retire after attaining the minimum service retirement age, which is age 65 for General Employees.
- b) General Employees that have attained age 60 and completed 30 years of qualifying time are eligible for service retirement.

Amount of Service Retirement Allowance

The amount of a member's service retirement allowance under 36-05-01 is equal to the following:

- a) For General Employees, enrolled prior to January 1, 2014, 2% of final average salary for each year of creditable service, imputed military service, or seasonal service limited to 70% of final average salary. For General Employees, enrolled on or after January 1, 2014, 1.6% of final average salary for each year of creditable service, imputed military service, or seasonal service limited to 70% of final average salary.
- b) For Firemen enrolled prior to March 1, 1989, and Policemen enrolled prior to July 1, 1989, and who were in active service on or after January 1, 1995, 2.5% of final average salary for each year of creditable service or imputed service (of any kind).
- c) For Firemen enrolled after February 28, 1989, and Policemen enrolled after June 30, 1989, 2.5% of final average salary for each year of creditable service or imputed military service, limited to 90% of final average salary, plus 2.5% of final average salary for each year of imputed fire and police service or imputed service under the dissolution of the Firemen and Policemen's Survivorship Fund.
- d) For elected officials enrolled prior to January 1, 2014, 2.6% of final average salary for each year of creditable service as an elected official for years before 1996, limited to 70% of the final average salary; from 1996 forward the rate of accrual for creditable service, imputed military service, or seasonal service is 2.5% except for the mayor, who will have an accrual rate of 2.0%, limited to 70% of the final average salary, except for elected officials who were enrolled prior to 2014 and are first elected to office on or after January 1, 2014, in which case their accrual rate is 2% for each year if they contribute 5.5% of their earnable compensation, or 2.5% for each year if they contribute 7% of their earnable compensation. For elected officials enrolled on or after January 1, 2014, 1.6% of final average salary for each year of creditable service as an elected official limited to 70% of the final average salary.

Funds Charged with Service Retirement Allowance

For individuals participating in the Combined Fund, service retirement allowance payments are charged to the Combined Fund. For all other individuals, the service retirement allowance is charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996,





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

and (ii) the Combined Retirement and Disability Fund if the member enrolled on or after February 1, 1996.

Ordinary Disability Retirement Allowance

Eligibility for Ordinary Disability Retirement Allowance

A member who the medical council certifies is mentally or physically incapacitated for further performance of duty that such incapacity is likely to be permanent and that such member should be retired, is eligible for the ordinary disability retirement allowance. The ordinary disability allowance is not payable if the member qualifies for the duty disability allowance.

Amount of Ordinary Disability Retirement Allowance

Imputed service credit and seasonal service credit are not used in any part of the calculation of the Ordinary Disability Retirement Allowance. The “service retirement allowance” referred to below is calculated based on creditable service only.

- a) For General Employees, 90% of the service retirement allowance based on creditable service to date of disability retirement, but no less than 25% of final average salary, provided such amount does not exceed 90% of the retirement allowance payable had the member continued in service to the minimum service retirement age.
- b) For Policemen and Firemen hired after January 1, 1971, who have 5 years of service, 25% of final average salary plus 2% thereof for each year of creditable service in excess of 5 years up to a maximum of 50% of final average salary.
- c) For Policemen and Firemen hired before January 1, 1971, the greater of the benefit described in (a), or the benefit described in (b).
- d) The benefit is payable for life while the member remains disabled, except that for General Employees with less than 10 years of qualifying time, the duration is limited to one-fourth (1/4) of the period of the service accrued to the date of disability.
- e) Members receiving benefits for life may elect reduced benefits under an optional form of payment in order to provide a death benefit to a designated beneficiary.

Funds Charged with Ordinary Disability Retirement Allowance

Ordinary disability retirement allowance payments are charged to the Combined Fund if the eligible individual is a participant in the Combined Fund. Otherwise, the allowance is charged to (i) the Retirement Fund, if the member’s enrollment date is before February 1, 1996, and (ii) the Combined Retirement and Disability Fund, if the member’s enrollment date is on or after February 1, 1996.





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Duty Disability Retirement Allowance

Eligibility for Duty Disability Retirement Allowance

If a member becomes permanently and totally incapacitated for duty as a result of the performance of his duty, and his mental or physical incapacitation is medically certified, such member is eligible for a duty disability retirement allowance. Unless the member is beyond his/her conversion age, in which case the member would be eligible for an extended lifetime Duty Disability benefit. The medical certification is made by the Medical Council for General Employees, for members of the MPA enrolled after June 28, 2005, and for members of the MPFFA enrolled after December 13, 2005 with disability based on a mental injury. For all other members, the medical certification is made by the Medical Panel, except as indicated below. There are certain diseases that are considered presumptive for purposes of duty disabilities.

All new duty disability applications are reviewed by the Medical Council effective June 19, 2016 for MPA members, effective January 1, 2016 for MPSO members, and effective July 29, 2016 for MPFFA members.

Effective July 14, 2015, a new state law was enacted related to duty disability benefits for mental injuries (section 62.624 Wis. Stat.). The ERS may only provide a duty disability benefit for a mental injury if the following criteria are met:

- a) The mental injury resulted from a situation of greater dimensions than the day-to-day mental stresses and tension and post-traumatic stress that all similarly situated Employees must experience as part of the employment, **and**
- b) The employer certifies that the mental injury is a duty-related injury.

Only if a duty-related mental injury has occurred, can the duty disability application be forwarded to the Medical Panel or Medical Council for the examination and requisite certification.

Amount of Duty Disability Related Benefits

Imputed service credit and seasonal service credit are not used when calculating a duty disability retirement allowance. Imputed service credit or seasonal service credit is used when calculating the conversion service retirement allowance referred to in paragraphs (a) - (c) below. Eligibility for imputed military service credit depends upon the date of the conversion, not upon the date of the duty disability retirement.

- a) For General Employees, the duty disability retirement allowance equals 75% of the member's final average salary. Members receive the allowance, while disability continues, until the later of age 65, or for a period of 5 years, at which time they convert to a service retirement allowance. General Employees receiving duty disability benefits may elect





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reduced benefits under an optional form of payment in order to provide a death benefit to a designated beneficiary.

- b) For Firemen and Policemen, the duty disability retirement allowance is 75% of the current annual salary for the position held by the member at retirement, plus \$40 per month for each child younger than age 18 (up to a maximum of 20% of the member's salary). In certain cases of extreme disability, when approved by a panel of physicians, the disability allowance will be 90% of such salary. Duty disability benefits paid to Firemen on account of heart and lung disease are at the 75% level. In the event of the death of a Policeman or Fireman receiving a 75% or 90% disability allowance, 70% or 75%, respectively, of the amount of the member's allowance shall be paid to the member's spouse during her lifetime.

The 90% duty disability allowances are payable for life. For Policemen enrolled on or after January 1, 1990, and Firemen enrolled on or after December 17, 1989, the 75% duty disability allowances are payable until the earlier of attainment of age 57, or completion of 25 years of service and attainment of age 52, at which time the member must either convert to a service retirement allowance or irrevocably elect to receive a recalculated duty disability allowance, referred to as an extended life duty disability allowance, as described in (c), below. Different conversion age requirements apply to Policemen enrolled prior to January 1, 1990, and Firemen enrolled prior to December 17, 1989, as discussed in (d), below. A Fireman or Policeman who becomes duty disabled on or after his conversion age may choose between a service retirement or extended life duty disability retirement.

- c) The extended life duty disability allowance referred to in (b), above, equals the lesser of the conversion service retirement allowance, or 75% of the current annual salary, provided further that the benefit will not be less than 57% of current annual salary for a Fireman, or 60% of current annual salary for a Policeman. "Current annual salary" here refers to the salary at the conversion age, for the position held by the member at the time of injury. The extended life duty disability allowance is payable for life and, unlike the duty disability allowance, is a fixed amount that does not change after the conversion age, notwithstanding any cost-of-living adjustments. Firemen or Policemen receiving extended life duty disability benefits may elect reduced benefits under an optional form of payment in order to provide a death benefit to a designated beneficiary. Their spouses are not eligible to receive the 70% benefit payable to surviving spouses of Firemen and Policemen who die while in receipt of the 75% duty disability benefit.
- d) For Policemen enrolled prior to January 1, 1990, and Firemen enrolled prior to December 17, 1989, the conversion age determination depends upon the member's enrollment date and whether or not the member signed the DeBraska II release form.





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Under Charter Ordinance 980130 Substitute 2 (DeBraska I), duty disabled Firemen and Policemen who retired on duty disability before October 17, 1992, have a conversion age equal to the greater of the conversion age in effect when they were enrolled, or the conversion age in effect at the time of their disability retirement.

Under Charter Ordinance 000789 (DeBraska II), duty disabled Firemen and Policemen who signed the DeBraska II release form are subject to the following conversion requirements: (i) members retired on duty disability prior to February 8, 1972, will receive duty disability benefits for life; (ii) members enrolled prior to February 8, 1972, who are either Policemen who retired on duty disability on or after August 1, 1985, or Firemen who retired on duty disability on or after March 1, 1984, will have a conversion age of 63; (iii) members enrolled on or after February 8, 1972, who retired on duty disability on or after October 17, 1992, will not be required to convert to service retirement prior to the conversion age requirements that were in effect when they enrolled; and (iv) for all other members who signed the DeBraska II release form, there is no difference between the conversion requirements of Charter Ordinance 980130 Substitute 2, and Charter Ordinance 000789. In general, only members who were duty disabled prior to January 1, 2001 were given the opportunity to sign the DeBraska II release form.

Under the Charter Ordinance (which reflects the Rehrauer decision) Firemen and Policemen who retire (or previously retired) on duty disability and who did not sign the DeBraska II release form will convert at the highest conversion age agreed upon during their employment (Section 36-05-3). Members who enrolled prior to February 8, 1972, who are either Policemen who retired on duty disability on or after November 1, 1976, or Firemen who retired on duty disability on or after October 1, 1977, will receive duty disability for life if they did not sign the DeBraska II release form, and will have a conversion age of 63 if they did sign the DeBraska II release form.

Funds Charged with Duty Disability Related Benefits

- a) For participants in the Combined Fund, duty disability benefits paid to members, benefits paid to survivors of members who die while duty disabled, child allotment payments, conversion service retirement benefits, and extended life duty disability benefits are paid from the Combined Fund.
- b) For General Employees who do not participate in the Combined Fund, duty disability benefits, and survivor benefits paid to beneficiaries of General Employees who elect an optional form of payment and die while disabled, are paid from (i) the General Employees Duty Disability Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- c) For members who do not participate in the Combined Fund, benefits paid after conversion to either a service retirement allowance or an extended life disability benefit are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.

Ordinary Death Benefit

Eligibility and Amount of Ordinary Death Benefit

- a) In the event of death of a member while in service, a death benefit equal to the sum of the member's accumulated contributions, plus if the member has one or more years of active service, one-half his final average salary is payable to the designated beneficiary. Optional forms of payment of such benefit to the beneficiary are provided. If the member had elected a protective survivorship option – and duty death benefits are not payable – such option will become effective, and the ordinary death benefit will not be payable. If a duty death benefit is payable the ordinary death benefit will not be paid.
- b) Unless the member elects an optional death benefit, the death benefit subsequent to retirement is the amount remaining, if any, of the member's contributions with interest to retirement less the sum of the allowance payments made prior to the member's death.

Funds Charged with Ordinary Death Benefits

Ordinary death benefits paid on behalf of a participant in the Combined Fund are charged to the Combined Fund. Otherwise, ordinary death benefits are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.

Protective Survivorship Option

Eligibility and Amount of Protective Survivorship Option

Firemen may elect a Protective Survivorship Option (PSO) during the 6 months that precede the earlier of attainment of age 49 and completion of 22 years of qualifying time as a Fireman or Policeman, or age 52 and 25 years of qualifying time as a Fireman or Policeman, or age 57. Policemen may elect a Protective Survivorship Option (PSO) during the 6 months that precede the earlier of attainment of age 57, or completion of 25 years of qualifying time as a Policeman or Fireman. Firemen and Policemen who fail to elect a PSO during the eligible period are deemed to have elected an Option 2 PSO with the spouse as the named beneficiary.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

General Employees who enrolled prior to January 1, 2014, may elect a PSO during the 6 months that precede the earlier of attainment of age 60 or completion of 30 years of qualifying time and attainment of age 55. General Employees who enrolled on or after January 1, 2014, may elect a PSO during the 6 months that precede the earlier of attainment of age 65, or completion of 30 years of qualifying time and attainment of age 60.

Firemen and Policemen are allowed to reselect a PSO if they marry, or divorce, and to select a different option and/or beneficiary at retirement, if they wish. As of June 5, 2012, General Employees may also reselect a PSO if they marry, or divorce, or select a different option and/or beneficiary at retirement.

The PSO may be canceled if the joint annuitant predeceases the member before retirement; or if the member is divorced from the joint annuitant before retirement.

Under a PSO, if a member eligible to retire on a service retirement allowance dies prior to retirement, benefits begin to the named beneficiary just as if the member retired under such option immediately prior to his or her death, except that imputed service credit arising from the dissolution of the Firemen and Policemen's Survivorship Fund will not be used in the calculation of the PSO benefit. If a Fireman who is eligible for PSO coverage dies prior to age 49, benefits for the named beneficiary will be deferred until the date the Fireman would have attained age 49. Imputed military service, imputed fire and police service, and seasonal service credit may be used in the calculation of the deferred PSO benefit.

In all cases where the requirements are met for both a PSO benefit and a duty death benefit, the duty death benefit will be payable in lieu of the PSO.

Funds Charged with PSO Benefits

PSO benefits for participants in the Combined Fund are charged to the Combined Fund. Benefits for individuals who do not participate in the Combined Fund are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.

Duty Death Benefits

Eligibility and Amount of Duty Death Benefits

In the event the member's death occurs in the performance of his duty, a lump sum payment equal to the member's accumulated contributions, plus an annuity of 60% of such deceased member's final average salary will be paid to one of the following (payable in this order):

- The member's surviving spouse
- The member's children until their 21st birthday
- The member's dependent parents
- Death of a Fireman that is due to heart or lung disease is considered a duty death.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Funds Charged with Duty Death Benefits

Benefits payable to participants in the Combined Fund are charged to the Combined Fund. Heart & Lung duty death benefits payable to individuals who are not participants in the Combined Fund are charged to the Heart & Lung Fund. Duty death benefits (other than Heart & Lung) payable to individuals who are not participants in the Combined Fund are charged to (i) the Retirement Fund for members whose enrollment dates are prior to February 1, 1996; and (ii) the Combined Retirement and Disability Fund for members whose enrollment dates are on or after February 1, 1996.

Member Contributions

Member contribution rates are the following percentages of annual salary:

General Employees	5.5% (tier 1 – enrolled prior to January 1, 2014) 4.0% (tier 2 – enrolled on or after January 1, 2014)
Firemen and Policemen-	7.0%
Elected Officials	7.0% (tier 1 – enrolled prior to January 1, 2014 and elected to an office prior to January 1, 2014; if enrolled prior to January 1, 2014, and elected or the first time to an office on or after January 1, 2014, and employee was paying contributions prior to being elected, employee pays contributions at the rate they were paying prior to becoming an elected official; if enrolled prior to January 1, 2014, and elected or the first time to an office on or after January 1, 2014, and employer was picking up contributions on behalf of the employee prior to being elected, employer pays 7.0%) 4.0% (tier 2 – enrolled on or after January 1, 2014)

Under state law, per 2011 Wisconsin Act 10, participating employers are no longer permitted to make contributions on the member’s behalf (with the exception of contractually agreed upon arrangements).

Member contributions made for or by participants in the Combined Fund are credited to the Combined Fund. Member contributions made for or by individuals who are not participants in the Combined Fund are credited to (i) the Retirement Fund for members whose enrollment dates are prior to February 1, 1996; and (ii) the Combined Retirement and Disability Fund for members whose enrollment dates are on or after February 1, 1996.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Pension Escalators

Several different pension escalators are paid by the ERS as listed and described under section 36-05-1(h). They are as follows:

- Fire and Police \$50 Escalator

Eligible Groups and Amounts

- a) Firemen in Local 215 who retired under a service retirement allowance between March 1, 1990, and December 31, 1992; members of the Milwaukee Police Association (MPA) who retired under a service retirement allowance between January 1, 1990, and December 31, 1992; members of the Milwaukee Police Supervisors Organization who retired under a service retirement allowance between January 1, 1991, and December 31, 1992; and Firemen in Local 215 or members of the MPA who elect a deferred retirement allowance after separating from service between January 1, 1993, and December 31, 1994, with 25 years of service; are eligible for a pension escalator which increases their allowance by \$50 per month on the 4th, 7th, and 10th anniversary of retirement.
- b) Members who both retired on duty disability and converted from duty disability to service retirement during the eligibility period are eligible for the escalators on the 4th, 7th, and 10th anniversaries of their conversion dates.
- c) The surviving spouses of eligible retirees, or of members who died during the eligibility period, are eligible provided that the member elected an optional benefit at retirement – or elected a protective survivorship option (PSO) prior to retirement – with the spouse as beneficiary. The member's surviving spouse receives increases on the member's 4th, 7th, and 10th anniversary of retirement (or spouse's retirement date in the case of a PSO) with the amount of the escalator adjusted to reflect the option elected by the member.

Funds Charged with Duty Death Benefits

Fire and Police \$50 escalators paid to participants in the Combined Fund are charged to the Combined Fund.

Fire and Police \$50 escalators paid to individuals who are not participants in the Combined Fund are charged to the Retirement Fund.

- January 1996 Catch-up COLA for pre-October 1, 1987 Retirees





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Eligible Group

- a) General Employees that attained the minimum service retirement age and retired with a service retirement allowance prior to October 1, 1987, or who retired on a duty disability allowance and converted to a service retirement allowance prior to October 1, 1987.
- b) Firemen and Policemen who retired prior to October 1, 1987, who became eligible to retire on service retirement at age 57, or after attaining age 52 and completing 25 years of service. Also, Firemen and Policemen who retired on a duty disability allowance and converted to a service retirement allowance prior to October 1, 1987.
- c) Surviving spouses of eligible retirees, or of members who elected a PSO and died prior to October 1, 1987, after naming their spouse as the designated beneficiary under Option 2, Option 3, or Option 4 with a percentage to the beneficiary.

Timing and Amount of Increase

The catch-up COLA was a permanent increase in the ERS monthly benefit which was granted effective January 1, 1996. The increase was an amount equal to (i) the total ERS benefit in payment, multiplied by the greater of (ii) the total percentage change in the cost of living for each full calendar month between the 8th anniversary of service retirement and October 1, 1995, and (iii) the total percentage change required to bring the member's allowance to 60% of its full inflation adjusted value considering inflation for the period from retirement to October 1, 1995. The percentage change in the cost of living was measured by the increase in the CPI-U, U.S. Cities, as reported by the U.S. Department of Labor, Bureau of Labor Statistics.

When the catch-up COLA was calculated, the factor was not applied to supplemental, pass through benefits, which are paid by the ERS but are not a liability of the ERS. These pass-through benefits, which appear on the pension payroll data supplied to the actuary, are part of an old guaranteed minimum program. The ERS is a paying agent for these benefits but is reimbursed by the City for all such payments.

Funds Charged

Catch-up COLA amounts paid to participants in the Combined Fund are charged to the Combined Fund. Catch-up COLA amounts paid to individuals who are not participants in the Combined Fund are charged to the Retirement Fund.

- 2% Escalator for pre-1993 Retirees





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Eligible Group

- a) General Employees that attained the minimum service retirement age and retired with a service retirement allowance prior to January 1, 1993, or who retired on a duty disability allowance and converted to a service retirement allowance prior to January 1, 1993.
- b) Firemen and Policemen who retired prior to January 1, 1993, who became eligible to retire on service retirement at age 57, or after attaining age 52 and completing 25 years of service. Also, Firemen and Policemen who retired on a duty disability allowance and converted to a service retirement allowance prior to January 1, 1993.
- c) Surviving spouses of eligible members who elected Option 3 with the spouse as the beneficiary, or of members who died prior to January 1, 1993 after electing an Option 3 PSO with the spouse as the beneficiary.

Timing and Amount of Increase

The first increase occurs with the later of the January 1996 installment or the installment next following the 8th anniversary of the member's service retirement date (or the 8th anniversary of the surviving spouse's retirement date in the case of a PSO). Thereafter, increases occur annually on the anniversary of the first increase.

The first increase is 2% of the total ERS benefit in payment. That is, the monthly benefit to which the increase is applied includes \$50 fire and police escalators, and the January 1996 catch-up COLA amount, if any, but it excludes supplemental pass through payments, if any. Increases after the first are also 2%, and are compounded -- that is, they are applied to the total ERS benefit in payment, including all prior increases, and again, excluding any supplemental pass-through payments. (The benefit initially payable to an eligible spouse upon the member's death includes 50% of any increases in payment at the member's death.)

Funds Charged

2% escalators paid to participants in the Combined Fund are charged to the Combined Fund. 2% escalators paid to individuals who are not participants in the Combined Fund are charged to the Retirement Fund.

- CPI Escalator for post-1992 Fire and Police Retirees who don't Participate in the Combined Fund and Pre-2000 CPI Escalator for post-1992 Fire and Police Retirees who do Participate in the Combined Fund





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Eligible Group

- a) Firemen and Policemen in active service on or after January 1, 1993, who become eligible to retire on service retirement at age 57 or after attaining age 52 and completing 25 years of service.
- b) Firemen and Policemen who retire on either a 75% Fire & Police duty disability benefit or a Heart & Lung duty disability benefit (i) between January 1, 1993, and December 31, 1994, and thereafter convert to service retirement; or (ii) on or after January 1, 1995, and who are eligible to elect between service retirement and extended life duty disability benefits at their conversion age.
- c) Police in active service on or after January 1, 1995, who separate with 25 years of service and elect a deferred retirement allowance.
- d) Surviving spouses of eligible members who elect Option 2 or 3, or who elect Option 4 with a percentage to the spouse, or who elect a PSO with a percentage to the spouse.

Timing and Amount of Increase

For members who retired on service retirement between January 1, 1993, and December 31, 1994; or who retired on duty disability between January 1, 1993, and December 31, 1994, and later convert to service retirement; and for eligible surviving spouses of members who died prior to retirement between January 1, 1993, and December 31, 1994, with PSO coverage in effect; the first increase occurs for March of the year following the first full calendar year of service retirement. For all others, the first increase occurs one full year after the member's service retirement date. Thereafter, increases occur annually on the anniversary of the first increase.

The monthly benefit is increased by an amount equal to (i) the total allowance for the preceding December (including all prior increases), multiplied by the lesser of (ii) 3%, and (iii) the increase in the CPI-U, U.S. Cities Average, for the calendar year preceding the increase. (The benefit initially payable to an eligible spouse upon the member's death includes a proportionate share of any increases in payment at the member's death, based on the option elected.)

Funds Charged

Benefits payable to participants in the Combined Fund are charged to the Combined Fund. For individuals who are not participants in the Combined Fund: (i) benefits are charged to the Retirement Fund for members whose enrollment dates are prior to February 1, 1996; and (ii) benefits are charged to the Combined Retirement and Disability Fund for members whose enrollment dates are on or after February 1, 1996.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- Post-1999 CPI Escalator for post-1992 Fire and Police Retirees who Participate in the Combined Fund

Eligible Group

The eligible group is restricted to individuals who were Firemen and Policemen who retired on duty disability between October 17, 1992, and December 31, 1992; or who were in active service on or after January 1, 1993, who either retire as Firemen or Policemen, or who die in active service as Firemen or Policemen; and their eligible surviving spouses. The types of benefits that receive the CPI escalator include:

- a) The service retirement allowance and ordinary disability retirement allowance.
- b) Benefits paid to members after the duty disability conversion age: the conversion service retirement allowance or the extended life duty disability retirement allowance.
- c) Benefits paid to members after separation from service: the deferred retirement allowance, early retirement allowance, involuntary separation allowance, or the ERS allowance paid under the County transfer or State reciprocity provisions.
- d) The spouse survivor allowance paid to the surviving spouse of an eligible member who elects Option 2 or 3, or who elects Option 4 with a percentage to the spouse, or who elects a PSO with a percentage to the spouse.
- e) The fire and police or heart & lung duty disability surviving spouse allowance.
- f) The duty death surviving spouse allowance.

Timing and Amount of Increases that occur after 1999

- a) The first post-1999 increase occurs the later of March 2000 and March of the year following the first full calendar year of retirement for: members who retired on service retirement or ordinary disability between January 1, 1993, and December 31, 1994; or who convert to service retirement after a period of duty disability which commenced between January 1, 1993, and December 31, 1994; or who separated from service between January 1, 1993, and December 31, 1994, and subsequently retire on a deferred, early, involuntary separation, or County transfer/ State reciprocity allowance; eligible spouse survivors of such members, including PSO spouse survivors when the member died between January 1, 1993, and December 31, 1994; duty death surviving spouses of members who died between January 1, 1993, and December 31, 1994; and duty disability surviving spouses where both the member's duty disability retirement date and duty disabled death date were between January 1, 1993, and December 31, 1994.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- b) The first post-1999 increase occurs the later of the year 2000 anniversary or the first anniversary of the member's date of death for: duty disability surviving spouses where the member's duty disability death date is on or after January 1, 1995.
- c) For all others, the first post-1999 increase occurs the later of the year 2000 anniversary or the first anniversary of the member's retirement or pre-retirement death. (Note: this group includes members who retired on duty disability between October 17, 1992, and December 31, 1994, who subsequently elect an extended life duty disability retirement allowance, and members who retired on duty disability between October 17, 1992, and December 31, 1992, who subsequently convert to service retirement.)

Thereafter, increases occur annually on the anniversary of the first post-1999 increase.

The monthly benefit is increased by an amount equal to (i) the total allowance for the preceding December (including all prior increases), multiplied by the lesser of (ii) 3%, and (iii) the increase in the CPI-U, U.S. Cities Average, for the calendar year preceding the increase. If the member retired on duty disability between October 17, 1992, and December 31, 1992, and subsequently converts to service retirement, then the 2nd, 3rd, and 4th increases will not be less than 1.5%, and the 5th and subsequent increases will not be less than 2%. (The benefit initially payable to an eligible spouse upon the member's death includes a proportionate share of any increases in payment at the member's death, based on the option elected.)

Funds Charged

The CPI escalator is charged to the Combined Fund.

- 2% Guarantee for Fire and Police CPI Escalator for Participants in Combined Fund

The eligible group is restricted to Firemen and Policemen who retire on service retirement, their spouse survivors, and PSO spouse survivors. In addition, Firemen members of Local 215 and Policemen members of the MPA must have been in active service on or after January 1, 1998; Policemen members of the MPSO must have been in active service on or after January 1, 1999; and non-represented Firemen and Policemen must have been in active service on or after January 1, 2000. The benefit is a guarantee that the CPI Escalator will not be less than 2% per annum.

- 2% Escalator for post-1992 General Employee Retirees who do Not Participate in Combined Fund





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Eligible Group

- a) General Employees who retire on a service retirement allowance on or after January 1, 1993 who have either (i) attained age 60, or (ii) completed 30 years of service and attained age 55.
- b) General Employees receiving a duty disability retirement allowance who convert to service retirement on or after January 1, 1993.
- c) Spouses of eligible members who either elect Option 3 at retirement with the spouse as beneficiary, or who die after electing an Option 3 PSO with the spouse as beneficiary.

Timing and Amount of Increase

The first increase occurs with the installment next following the 8th anniversary of the member's service retirement or conversion to service retirement date (or the 8th anniversary of the surviving spouse's retirement date in the case of a PSO). Thereafter, increases occur annually on the anniversary of the first increase.

Each increase is 2% and increases after the first are compounded -- that is, they are applied to the total benefit in payment, including all prior increases. (The benefit initially payable to an eligible spouse upon the member's death includes 50% of any increases in payment at the member's death.)

Funds Charged

For members whose enrollment dates are prior to February 1, 1996, the 2% escalator for post-1992 general employee retirees is paid from the Retirement Fund. For members whose enrollment dates are on or after February 1, 1996, the 2% escalator for post-1992 general employee retirees is paid from the Combined Retirement and Disability Fund.

- Post-1999 1.5% / 2% Escalator for General Employee Retirees and for Pre-1993 Fire and Police Retirees who Participate in the Combined Fund

Eligible Group

The eligible group includes (i) pre-1993 retirees and surviving spouses who are not eligible for either the 2% Escalator for pre-1993 retirees, or the Post-1999 CPI Escalator for post-1992 fire and police retirees; and (ii) post-1992 general employee retirees and their surviving spouses. The types of benefits that receive the 1.5%/2% escalator include:

- a) The service retirement allowance and ordinary disability retirement allowance for all members, and the duty disability retirement allowance for General Employees.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- b) Benefits paid to members after the duty disability conversion age: the conversion service retirement allowance for all members or the extended life duty disability retirement allowance for fire and police.
- c) Benefits paid to members after separation from service: the deferred retirement allowance, early retirement allowance, involuntary separation allowance, or the ERS allowance paid under the County transfer or State reciprocity provisions.
- d) The spouse survivor allowance paid to the surviving spouse of an eligible member who elects Option 2 or 3, or who elects Option 4 with a percentage to the spouse, or who elects a PSO with a percentage to the spouse.
- e) The fire and police or heart & lung duty disability surviving spouse allowance.
- f) The duty death surviving spouse allowance.

Timing and Amount of Increases that occur after 1999

- a) The first post-1999 increase occurs for January 2000 for eligible Option 2 and 4 spouse survivors of members retired on a service retirement allowance or a conversion service retirement allowance - and for eligible Option 2 and 4 PSO spouse survivors - when the member's date of retirement or pre-retirement death was prior to January 1988.
- b) The first post-1999 increase occurs the later of the year 2000 anniversary or the 2nd anniversary of the member's date of death for: duty disability surviving spouses of Firemen and Policemen.
- c) For all others, the first post-1999 increase occurs the later of the year 2000 anniversary or the 2nd anniversary of the member's retirement or pre-retirement death.

Thereafter, increases occur annually on the anniversary of the first increase.

All increases for the group described in paragraph (a) are 2% increases. For paragraphs (b) and (c), an increase which takes effect on the 2nd, 3rd, or 4th anniversary is a 1.5% increase. An increase which takes effect on the 5th or subsequent anniversary is a 2% increase. Increases after the first one are compounded -- that is, they are applied to the total benefit in payment, including all prior increases. (The benefit initially payable to an eligible spouse upon the member's death includes the spouse's proportionate share of any increases in payment at the member's death, based on the option elected.)

Tier 2 Employees receive an increase of 2% on the fifth anniversary of their retirement and on each anniversary that follows, but only for service retirement.

Fire and Police Survivorship Benefits Prior to the Global Pension Settlement

The survivors of Firemen or Policemen who die in active service or while in receipt of a disability allowance may be entitled to a survivorship benefit. The survivorship benefit is payable to the spouse of the deceased member provided the spouse has one or more eligible children in her care. Eligible children include unmarried children who are either under the age of 18, or are over





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

age 18, but who suffer from a disability which commenced before the age of 18. The amount of the survivorship benefit for a death occurring in 2000 is \$600 monthly for the spouse and one child or for two or more eligible children. If there is no surviving widow and only one child, the benefit is \$300. Upon attainment of age 57, \$300 is payable to the spouse for her lifetime. Benefits payable to a spouse cease on remarriage and benefits payable in respect of children cease on attainment of age 18 (unless disabled prior to age 18) or marriage. For member deaths that occurred prior to 2000 the monthly amount payable depends upon the plan provisions in effect at the member's death.

Fire and Police Survivorship Benefits for Survivors Participating in the Combined Fund

Survivors of Firemen or Policemen who died prior to 2000 while in active service or while retired on disability (and contributing to the Fire and Police Survivorship Fund) may be entitled to a survivorship benefit. The survivorship benefit is payable to the spouse of the deceased member provided the spouse has one or more eligible children in her care. For participants in the Combined Fund, the amount of the survivorship benefit for a death occurring prior to 2000 is \$600 monthly for the spouse and one child under age 18, or for two or more children under age 18. If there is no surviving widow and only one child, the benefit is \$300. The monthly amount payable to a disabled child over the age of 18 depends upon the plan provisions in effect at the member's death. Upon attainment of age 57, \$300 is payable to the spouse for her lifetime. Benefits payable to a spouse cease on remarriage and benefits payable in respect of children cease on attainment of age 18 (unless disability commenced prior to age 18) or marriage.

Survivorship Benefits for Participants in the Combined Fund are charged to the Combined Fund.

Separation Benefits

Eligibility and Amounts

Should a member separate from service, and no other benefit is payable, such a member will possibly be entitled to one of the options outlined below. Additional eligibility information about Separation Benefits is provided under 36-05-6.

- a) If the member has less than four years of creditable service, a refund of member contributions (not paid by the member's employer). Interest at 4.0% per annum on the 4%, 5.5%, or 7% member paid contributions is also payable.
- b) If the member has four years of creditable service, a deferred allowance payable at the minimum service retirement age.
- c) A refund of the member contributions and interest, including contributions paid on the member's behalf, is payable to (i) General Employees after 4 years of creditable service, or (ii) Firemen or Policemen after 10 years of creditable service.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- d) If the member's service is involuntarily terminated, or the member terminates voluntarily after attaining age 55 and completing 15 years of creditable service, such member may elect to receive a deferred allowance at the minimum service retirement age, or an immediate allowance that is the actuarial equivalent of the deferred allowance.
- e) If the member has 25 years of qualifying time as a Fireman or Policeman, and is not participating in the Combined Fund, a deferred allowance payable at age 52.
- f) If the member is a Fireman with 25 years of qualifying time as a Fireman or Policeman, had not attained age 49 at the date of separation from service, and is participating in the Combined Fund, a deferred allowance payable at age 52.

Imputed service credit and seasonal service credit are not used when calculating separation benefits.

Funds Charged with Separation Benefits

Benefits paid to participants in the Combined Fund are charged to the Combined Fund. Separation benefits paid to individuals not participating in the Combined Fund are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Fund if the member's enrollment date is on or after February 1, 1996.

Lump Sum Bonus Payments

Under the Global Pension Settlement, various lump sum bonus payments may be made to eligible individuals participating in the Combined Fund. An individual may be eligible for one or more types of lump sum bonus payments.

Eligibility for Lump Sum Bonus Payments

Only individuals participating in the Combined Fund can become eligible for the following types of lump sum bonus payments. In addition, the following conditions apply to the individual lump sum bonuses.

- a) 5% lump sum bonus: Members who are inactive as of January 1, 2000, will become eligible at the time that their deferred retirement allowance commences.

Members in active service as of January 1, 2000, will become eligible when they first retire.

If a member in active service as of January 1, 2000, dies prior to retirement and the member's surviving spouse is eligible for either a surviving spouse duty death benefit (including Heart & Lung duty death) or a PSO spouse survivor benefit then the surviving spouse is eligible for this bonus payment.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Only one 5% lump sum bonus will be paid on account of an individual member. Thus, if a member receiving a duty disability retirement allowance receives a 5% lump sum bonus on account of the duty disability benefit, then the member will not be eligible for an additional 5% lump sum bonus at the time of conversion.

- b) 8.6% lump sum bonus: A Fireman or Policeman in active service as of January 1, 2000, who (i) retires as a Fireman or Policeman on a service retirement allowance; or (ii) converts to service retirement or elects an extended life duty disability retirement allowance after retiring as a Fireman or Policeman on duty disability; (iii) attains age 63 while in receipt of an ordinary disability retirement allowance or a lifetime Fire & Police or Heart & Lung duty disability retirement allowance, is eligible for this bonus so long as the member did not receive 2 years of imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund; (iv) or retires as a Fireman or Policeman on an extended life duty disability.

If a Fireman or Policeman in active service as of January 1, 2000, dies prior to retirement and the member's surviving spouse is eligible for either a surviving spouse duty death benefit (including Heart & Lung duty death) or a PSO spouse survivor benefit then the surviving spouse is eligible for this bonus payment.

A Fireman or Policeman retired on disability as of January 1, 2000, who is also an active member of the Firemen and Policemen's Survivorship Fund as of January 1, 2000 - under age 57 at January 1, 2000, and made all required contributions to the Survivorship Fund – is eligible for this bonus if he (i) converts to service retirement or elects an extended life duty disability retirement allowance; or (ii) is ineligible to convert to service retirement and attains age 63 while in receipt of the disability retirement allowance; provided that he (iii) did not receive 2 years of imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund.

Amount of Lump Sum Bonus Payments

Age factors are used in the 5% lump sum bonus and the 8.6% lump sum bonus calculations. The age factors for these bonus payments are contained in s. 36-05-11-a.

- a) 5% lump sum bonus: For members who are either inactive or active as of January 1, 2000, who retire in the future, the bonus payment equals 5% times their initial annual retirement allowance times a factor based on attained age on the retirement date. The retirement allowance used in the bonus calculation is to be reduced for early retirement, if applicable, but is not to be reduced for any optional election the member might have made under s. 36-05-7.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

If a member in active service as of January 1, 2000 dies prior to retirement and the member's surviving spouse is eligible for this bonus payment, then the bonus will equal 5% times the spouse's initial annual benefit times a factor based on the spouse's attained age when the benefit commences.

- b) 8.6% lump sum bonus: In the explanation that follows, whenever an annual allowance is used in calculating a bonus due to a member, the allowance used is the allowance that would be paid if the member did not elect an option under s. 36-05-7.

For members who retire on service retirement: 8.6% times the annual service retirement allowance times a factor based on attained age at retirement.

For surviving spouses who receive either a PSO benefit or a duty death benefit: 8.6% times the initial annual allowance payable to the spouse times a factor based on the spouse's attained age when the benefit commences.

For a member who is retired on duty disability as of January 1, 2000 - or who retires on duty disability thereafter - and who is eligible to convert to service retirement: 8.6% times the annual conversion service retirement allowance earned as of the conversion age times a factor based on attained age at conversion.

For a member who is retired on disability as of January 1, 2000 – or who retired on disability thereafter – who is ineligible to convert to service retirement, and who is age 63 or younger at the later of January 1, 2000 or the disability retirement date: 8.6% times the “hypothetical” annual conversion service retirement allowance earned at age 63 times the attained age factor for age 63. The “hypothetical” allowance is calculated as if the member were eligible to convert at age 63.

For a member who retires on disability after January 1, 2000, who is older than age 63 at the disability retirement date: 8.6% times the annual disability allowance payable when the allowance commences times a factor based on the member's attained age at retirement.

Funds Charged

The 5% lump sum bonus and the 8.6% lump sum bonus are paid from the Combined Fund.

Benefits Not Valued

None.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

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APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods

The method of financing the ERS is prescribed in Section 36.08 of the MCC.

Actuarial Cost Method

The method used to determine Normal Cost and Accrued Actuarial Liability (AAL) is the Individual Entry Age Normal Cost Method. The UAAL, under this method, is the AAL over the Actuarial Value of Assets. The total actuarially determined employer contribution is the sum of the employer portion of the Normal Cost (Total Normal Cost less expected member contributions) plus an amount to amortize the UAAL according to the Amortization Method plus an amount to reimburse the previous year's administrative expense.

Asset Values

Two asset values are used in this report. A description of each and a brief explanation of where they are used follows:

- **Market Value**

The market value of assets is the value of investments if they were to be sold on the date valued. The market value of assets is used to develop the actuarial value of assets.

- **Actuarial Value**

The actuarial value of the assets in the Employers' Reserve Fund is equal to the market value of assets. This Fund is not available to pay the benefits for ERS members, so it is excluded from the allocation of the actuarial value of assets to the various funds and groups and the resulting calculations of actuarially determined employer contributions. The actuarial value of assets for the remaining funds is a smoothed value of assets (see Table 5). The difference between (1) the expected return on the market value of assets at the beginning of the year, based on the investment return assumption and the net non-investment cash flows, and (2) the actual return on the market value of assets is smoothed equally over five years. As a result, there are five components of excess/shortfall returns to be smoothed each year.

Amortization Method

The System's UAAL is amortized on a level-dollar basis using what is known as a "layered" approach. Under this approach, changes to the System's UAAL each year are amortized using individual amortization schedules over various periods, which are selected based on the nature of the change. The current amortization policies, which were adopted by the Board at its February 24, 2023 meeting and subsequently adjusted to reflect the changes under 2023 Wisconsin Act 12, include:

- The total projected January 1, 2024 UAAL balance, as calculated in the *second* January 1, 2023 actuarial valuation, is being amortized as a level-dollar amount over a closed 30-





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

year period in accordance with 2023 Wisconsin Act 12.

- Future increases in the Systems' UAAL resulting from experience losses will be amortized over a closed 10-year period.
- Future decreases in the System's UAAL resulting from experience gains will be amortized over either a closed 10-year period or the remainder of the 30-year period beginning on January 1, 2024, whichever is longer.
- If the UAAL is negative, all prior bases will be eliminated, and the participating employers will be required to contribute their share of the annual normal cost and administrative expenses. If the UAAL becomes positive again, it will be amortized over a closed 10-year period.
- Changes to the UAAL arising from changes to plan provisions will be amortized over various periods, depending on the nature of the change and which participants are affected.
- Changes to the UAAL arising from contributions which are above or below the actuarially determined employer contribution will be amortized over a closed 5-year period.

Contribution Lag

2023 Wisconsin Act 12 repealed the System's stable employer contribution funding policy. As a result, participating employers are now required to contribute the Actuarially Determined Employer Contribution amount as determined in each annual actuarial valuation report. In order to more easily administer the revised funding policy, the Board, upon the recommendation of their actuary, adopted a one-year contribution lag so that results of the current valuation report will set the required contribution amount for employers during the following Plan Year. This policy was first effective with the *second* 2023 actuarial valuation report.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Demographic assumptions are based on the experience investigation prepared as of December 31, 2021 and adopted by the Board of Trustees on September 28, 2022 for use beginning with the January 1, 2023 actuarial valuation. The set of economic assumptions was adopted by the Board of Trustees on February 27, 2023, for use in the January 1, 2023 actuarial valuation. The next experience study is scheduled to be performed for inclusion with the January 1, 2028 actuarial valuation. However, due the passage of 2023 Wisconsin Act 12 on June 20, 2023, the investment return assumption cannot be greater than the rate used by the Wisconsin Retirement System for active participants, which has currently set their investment return assumption at 6.80% for active employees.

Investment Return Assumption: 6.80% per annum (net of investment expenses), compounded annually.

Inflation: 2.50% per annum.

Cost-of-Living Adjustments (COLAs): For retirees whose COLA is defined as the lesser of 3.00% and CPI-U, the assumed COLA is 2.50% per annum.

Payroll Growth for UAAL amortization: None. UAAL amortization payments are developed on a level dollar basis.

Illustrative Rates of Salary Increase:

Service	Salary Increases*	
	General Employees	Firemen and Policemen
1	6.25%	18.00%
5	5.75	7.00
10	5.00	3.20
15	4.25	3.20
20	4.25	3.10
25	4.25	3.10
30	4.00	3.10
35	3.00	3.10
40	3.00	3.00

* Includes general wage increase assumption of 3.00%.

Annual increases of 2.50% per annum is assumed for Policemen, Firemen and General Employees on duty disability. The increases for duty disabled Firemen and Policemen affect both current duty disability benefits and future service retirement or extended life conversion benefits. The increases for General Employees affect only service retirement conversion benefits.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Mortality Assumptions:

- a) Active Members For General employees, Pub-2010 Below Median General Employee Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.

For Policemen and Firemen, Pub-2010 Median Public Safety Employee Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021.

- b) Healthy Retirees For General employees, Pub-2010 Below Median General Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.

For Policemen and Firemen, Pub-2010 Median Public Safety Retiree Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021.

- c) Beneficiaries For General employees, Pub-2010 Below Median Contingent Survivors Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.

For Policemen and Firemen, Pub-2010 Median Contingent Survivors Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021.

- d) Disabled Retirees For General employees, Pub-2010 Non-Safety Disabled Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.

For Policemen and Firemen, Pub-2010 Safety Disabled Retiree Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021.

The healthy retiree mortality assumption also applies to members who have received a duty disability benefit and since converted to a service retirement benefit. We believe this assumption is appropriate because, in general, the impact that a disability has on an individual's expected future lifetime decreases over time. This assumption impacts a relatively small number of records.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Illustrative Rates of Termination:

Service	General Employees		Policemen	Firemen
	Male	Female		
1	15.00%	17.00%	4.00%	2.35%
5	9.00	10.50	2.50	1.75
10	4.50	6.75	1.25	1.00
15	4.00	4.00	0.85	0.50
20	3.00	2.75	0.85	0.50
25	1.00	2.50	0.00	0.00
30	0.00	0.00	0.00	0.00

All terminations are assumed to be voluntary.

Members who terminate vested are assumed to take a refund if it is more valuable than their deferred benefit. Regular interest credited on contribution account balances is assumed to be 4.0%.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Rates of Early and Normal Retirement:

General Employees

Age	Early Retirement		Normal Retirement			
	Tier 1	Tier 2	Tier 1		Tier 2	
	All	All	Males	Females	Males	Females
55	2%	2%	40%	32%		
56	2	2	20	25		
57	2	2	25	25		
58	2	2	25	25		
59	4	2	25	25		
60		2	25	20	40%	32%
61		2	25	20	25	20
62		2	25	25	25	25
63		2	25	20	25	20
64		4	25	20	25	20
65			27	27	27	27
66			20	27	20	27
67			27	27	27	27
68			27	30	27	30
69			27	30	27	30
70			100	100	100	100





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Policemen and Firemen

Age	Firemen	Policemen	Age	Firemen	Policemen
42		40%	53	22%	40%
43		40	54	22	40
44		40	55	30	40
45		40	56	30	40
46		40	57	30	40
47		40	58	30	25
48		40	59	40	25
49	22%	40	60	40	25
50	22	40	61	50	25
51	22	40	62	50	50
52	22	40	63	100	100

Inactive vested members are assumed to begin receiving benefit payments at their minimum service retirement age, which is age 60 for Tier 1 General Employees, age 65 for Tier 2 General Employees and age 57 for Policemen and Firemen.

Illustrative Rates of Disability:

Age	Disability Rates		
	General Employees	Firemen	Policemen
20	0.040%	0.250%	0.024%
25	0.040	0.250	0.024
30	0.040	0.250	0.096
35	0.040	0.254	0.148
40	0.041	0.302	0.180
45	0.049	0.486	0.192
50	0.082	0.898	0.196
55	0.167	1.580	0.200
60	0.333	0.000	0.000
65	0.600	0.000	0.000

Elected officials are assumed to become disabled at the same rate as General Employees.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Duty Disabilities:

Employee Group	Percentage of Disabilities Incurred in the Performance of Duty	Percentage of Duty Disabilities Assumed		
		Eligible For The 90% Benefit	Under The Heart & Lung Law	Assumption Adopted January 1
General Employees	20.0%	N/A	N/A	2023
Police other than MPA	20.0%	0.0%	N/A	2023
MPA enrolled on or before 4/18/2005	60.0%	0.0%	N/A	2023
MPA enrolled after 4/18/2005	60.0%	0.0%	N/A	2023
Fire other than MPFFA	20.0%	0.0%	0.0%	2023
MPFFA enrolled on or before 10/3/2005	75.0%	0.0%	0.0%	2023
MPFFA enrolled after 10/3/2005	75.0%	0.0%	0.0%	2023

Upon reaching their service conversion date, 100% of Policemen and Firemen who become duty disabled are assumed to convert to a service retirement benefit.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Marriage Assumption and Duty Disability Child Allotments:

It is assumed that female spouses are three years younger than males. In absence of evidence to the contrary, it is assumed that 85% of General Employees and 95% of Policemen and Firemen are married, with dependent children, described by the following table:

Member's Age at Death or Disability	Number of Dependent Children	Age of Youngest Child
20	0.0	-
25	1.5	1
30	2.5	2
35	2.5	5
40	2.5	8
45	2.0	11
50	1.5	14
55	1.0	15
60 and Over	0.0	-

The percentage of retiring employees assumed to elect option 3, the subsidized 50% option, is 25% for males and 15% for females. The percentage of General Employees assumed electing the 100% PSO option before retirement is 40% for males and 15% for females. For Firemen and Policemen, 95% are assumed to elect the 100% PSO option before retirement.

Duty Deaths:

The following percentages of deaths in active service are assumed to incur in the performance of duty:

General Employees: 5%

Police & Fire: 10%. In addition, amongst Firemen, 25% of duty deaths are assumed to occur under the Heart and Lung Law.

Imputed Military Service:

The following percentages of eligible members are assumed to earn 1 year of imputed military service credit:

General Employees: 10%

Police: 13%

Fire: 13%

These percentages are based on troop strength statistics from the Department of Defense website. (Adopted 1/1/2003)





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Seasonal Service Credit: The following percentages of eligible members are assumed to receive one year of seasonable service credit:

Member's Union or Bargaining Group	Percentage with Seasonal Service	Assumption Adopted January 1
District Council 48, AFSCME	27.09%	2005
Fire Equipment Dispatchers Local 494, IBEW	0.00%	2006
Electrical Group Local 494, IBEW	31.00%	2006
Machine Shop Local 494, IBEW	12.00%	2005
Bridge Operators Local 195, IBEW	28.57%	2005
Joint 129/48 Local 139, IOUE & DC48	100.00%	2005
Machinists Local 510, IAM	5.00%	2005
Sanitation Local 61, LIUNA	98.06%	2005
TEAM (Techs, Eng, Archs of Milw)	5.00%	2005
MBCTC (Bricklayers, Carpenters, Cement Masons, Painters, Iron Workers)	10.00%	2005
Police Sworn Management, Police Civilian Management, Managers, Elected Officials (except mayor)	3.13%	2005
Non-represented in the Police Department and General City non-represented	5.00%	2005

Miscellaneous

Future Service Accrual: Active members are assumed to accrue a full year of service in each future year (adopted 1/1/2023).

Annualized Compensation: For active members, their prior year reported compensation amount is annualized based on their Future Service Accrual and further increased by a leap year adjustment factor of 1.0034 ($26.089285 \div 26$).

Deemed Inactives: Active members who worked less than 100 hours in the prior year, but who have not officially terminated employment are treated as Inactives. These members are not assumed to earn additional service credit in future years.

Decrement Timing: All withdrawals, deaths, disabilities, and retirements are assumed to occur mid-year.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Liability for Inactive Members: The data provided for inactive members does not contain all the elements to calculate the member's deferred benefit. The deferred benefit amounts for these members are estimated using the member's life-to-date earnings and assumed salary increases. For terminated members who are missing a termination date on their record, it is assumed that they terminated at age 35. The actuary is collecting data so that future members' deferred benefits can be estimated.

Administrative Expenses: Based on the most recent fiscal year end, increased with inflation to the Plan Year for which the actuarially required employer contribution is developed.

Normal Cost: Normal cost rate reflects the impact of new entrants during the year. Due to 2023 Wisconsin Act 12, there are no new entrants effective January 1, 2024.

Changes Since Prior Valuation: None.





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APPENDIX D – GLOSSARY OF TERMS

Note that the first definitions given are the “official” definitions of the term. For some terms there is a second definition, in italics, which is the unofficial definition.

Actuarial Accrued Liability (AAL): The portion of the Present Value of Projected Benefits (PVFB) allocated to past service. Also difference between (i) the actuarial present value of future benefits, and (ii) the present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.” *The amount of money that should be in the fund. The funding target.*

Actuarial Assumptions: Estimates of future plan experience with respect to rates of mortality, disability, retirement, investment income and salary increases. Demographic (“people”) assumptions (rates of mortality, separation, and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic (“money”) assumptions (salary increases and investment income) consist of an underlying rate appropriate in an inflation-free environment plus a provision for a long-term average rate of inflation. *Estimates of future events used to project what we know now- current member data, assets, and benefit provisions – into an estimate of future benefits.*

Actuarial Cost Method: A mathematical budgeting procedure for allocating the dollar amount of the Present Value of Projected Benefits (PVFB) between the normal costs to be paid in the future and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”

Actuarial Methods: The collective term for the Actuarial Cost Method, the Amortization Payment for UAAL Method, and the Asset Valuation Method used to develop the actuarially determined employer contributions for the Retirement System. *The funding policy.*

Actuarial Equivalent: Benefits whose actuarial present values are equal.

Actuarial Present Value: The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Actuarial Value of Assets (AVA): A smoothed value of assets which is used to limit actuarially determined employer contributions volatility. Also known as the funding value of assets. *Smoothed value of assets.*

Amortization Payment for UAAL: Payment of the unfunded actuarial accrued liability by means of periodic contributions of interest and principal, as opposed to a lump sum payment. The components of the amortization payment for UAAL includes:

- Amortization Period Length – Generally amortization periods of up to 15 to 25 years (and certainly not longer than 30). Similar to a mortgage, the shorter the amortization period, the higher the payment and the faster the UAAL is paid off.





APPENDIX D – GLOSSARY OF TERMS

- Amortization payment increases – Future payments can be level dollar, like a mortgage, or as a level percent of pay. Most Retirement Systems amortize UAAL as a level percent of pay which when combined with the employer normal cost that is developed as a level percent of pay can result in contributions that are easier to budget.
- Amortization type – An amortization schedule can be closed or open. A closed amortization schedule is similar to a mortgage – at the end of the amortization period the UAAL is designed to be paid off. An open amortization period is similar to refinancing the UAAL year after year.
- Amortization schedule – UAAL can be amortized over a single amortization period, or it can be amortized over a schedule.

The amortization payment for UAAL can be thought of as the UAAL mortgage payment.

Asset Valuation Method: The components of how the actuarial value of assets is to be developed. CMERS uses a five-year smoothing of asset gains and losses, which is the most commonly used method.

Experience Gain (Loss): A measure of the difference between actual experience and experience anticipated by a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used. *The experience Gain (Loss) represents how much the actuary missed the mark in a given year.*

Funded Ratio: The percent of the actuarial accrued liabilities covered by the actuarial value of assets. Also known as the funded status. *The ratio of how much money you actually have in the fund to the amount you should have in the fund.*

Normal Cost: The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost.” An amortization payment toward the unfunded actuarial accrued liability is paid in addition to the normal cost to arrive at the total contribution in a given year. *The cost of benefits accruing during the year.*

Present Value of Future Normal Cost (PVFNC): The portion of the Present Value of Projected Benefits (PVFB) allocated to future service. *The value in today’s dollars of the amount of contribution to be made in the future for benefits accruing for members in the Retirement System as of the valuation date.*

Present Value of Future Benefits (PVFB): The projected future benefit payments of the plan are discounted into today’s dollars using an assumed rate of investment return assumption to determine the Present Value of Future Benefits (PVFB) of the Retirement System. The PVFB is the discounted value of the projected benefits promised to all members as of a valuation date, including future pay and service for members which has not yet been earned. *If the Retirement*





APPENDIX D – GLOSSARY OF TERMS

System held assets equal to the PVFB and all the assumptions were realized, there would be sufficient funds to pay off all the benefits to be paid in the future for members in the Retirement System as of the valuation date.

Reserve Account: An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

Unfunded Actuarial Accrued Liability (UAAL): The difference between the actuarial accrued liability (AAL) and actuarial value of assets (AVA). The UAAL is sometimes referred to as “unfunded accrued liability.” *Funding shortfall, or prefunded amount if negative.*

Valuation Date: The date that the actuarial valuation calculations are performed as of. *Also known as the “snapshot date”.*



Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Service	BRATCHETT	MARIAH	10/12/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	JONES	STEPHANIE	3/16/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	JONES	KEIR	3/31/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	SMITH-DANIELS	TINA	1/23/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	WALKER JOHNSON	JOANN	2/13/2026	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	SCHULTZ	STEPHEN	3/25/2026	MAX	FIRE OPERATIONS BUREAU
Regular	Deferred	HODNETT	LAMONT	4/3/2026	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	ZWICKER	LORI	4/4/2026	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	AGUADO WARE	JOAN	4/5/2026	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	TEZAK	GREG	4/9/2026	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	BRONK	JEFFREY	4/9/2026	MAX	DPW-INFRA-TRANSP-INFRA
Regular	Service	KAEBISCH	JODY	4/11/2026	MAX	ASSESSOR'S OFFICE
Regular	Deferred	HARPOLE	MANFRED	4/12/2026	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	GEIB	PAUL	4/14/2026	75	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	ROH	RICHARD	4/15/2026	MAX	DPW-INFRA-TRANSP-OPS
Regular	Service	TUTAS	CONSTANCE	4/15/2026	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	JOHNSON	JOHN	4/16/2026	50	FIRE OPERATIONS BUREAU
Regular	Service	ALEXANDER-WILLIAMS	CYNTHIA	4/18/2026	MAX	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
Regular	Service	WALDNER	NICOLE	4/18/2026	MAX	POLICE DEPARTMENT
Regular	Early	WILLIAMS	ROBERT	4/20/2026	100	DPW-OPS-SANITATION
Regular	Involuntary Separation	MCCLAIN	JEFFREY	4/20/2026	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	BOHLMANN	KAREN	4/22/2026	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	CALVIN	LENOIR	4/22/2026	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	PACE	GERALD	4/23/2026	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	CRAWLEY	JAMES	4/25/2026	MAX	DPW-INFRA-TRANSP-INFRA
Regular	Service	PFEIFFER	ERIC	4/25/2026	100	POLICE DEPARTMENT
Regular	Service	SCHMIDT	LINDOR	4/25/2026	MAX	HEALTH-ENVIRONMENTAL HEALTH
Regular	Service	OLESZEK	LAWRENCE	4/26/2026	100	EMERGENCY COMMUNICATIONS
Regular	Service	REYNOLDS	PERNELL	4/28/2026	50	POLICE DEPARTMENT
Regular	Service	HILLIARD	PATRICIA	4/30/2026	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	JACKSON	CALVIN	4/30/2026	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	THARANIYIL	MATHEW	5/1/2026	100	DPW - WATER DEPARTMENT
Regular	Service	ARMSTRONG	GARY	5/1/2026	50	DEPT OF NEIGHBORHOOD SRVCS
Regular	Service	TREPCZYK	MATTHEW	5/1/2026	100	EMS/Training/Education Bureau

Board Report - May 2026

Type	Last Name	First Name	Death Date	Payment Date	Deaths	
					Amount	
Retiree Death-Termination	BUDNIK	THOMAS	1/14/2026	5/29/2026	\$	3,141.38
Retiree Death-Termination	CUNNINGHAM	JOHN	2/9/2026	5/29/2026	\$	381.13
Retiree Death-Termination	HERRIGES	THOMAS	3/20/2026	5/29/2026	\$	1,920.39
Retiree Death-Termination	KAMINSKI	DAVID	12/13/2025	5/29/2026	\$	2,453.61
Retiree Death-Termination	SCHWENKER	SUZANNE	12/27/2025	5/29/2026	\$	449.39
Retiree Death-Termination	VANEK	JEROME	2/23/2026	5/29/2026	\$	1,650.43
Retiree Death-Termination	VASSEL	SPENCER	3/10/2026	5/29/2026	\$	24,808.78
Retiree Death-Termination	WILLIAMS	RUDOLPH	3/14/2026	5/29/2026	\$	608.86
Surv Death-Termination	GLASER	GAYLE	1/5/2026	5/29/2026	\$	719.08
Surv Death-Termination	HERRIGES	THOMAS	3/20/2026	5/29/2026	\$	859.87
Surv Death-Termination	JORGENSON	EDVINA	3/27/2026	5/29/2026	\$	883.01
Surv Death-Termination	KASZA	JUDITH	3/28/2026	5/29/2026	\$	430.62
Surv Death-Termination	MUELLER	FRANCES	9/29/2025	5/29/2026	\$	574.36
Surv Death-Termination	NORRIS	SUSAN	3/28/2026	5/29/2026	\$	5,497.84
Surv Death-Termination	PLUTSHACK	MARY	3/14/2026	5/29/2026	\$	758.47
Surv Death-Termination	ROMANO	ANN	3/25/2026	5/29/2026	\$	850.41
Surv Death-Termination	SCHNEIDER	BARBARA	2/26/2026	5/29/2026	\$	278.57
Surv Death-Termination	WEBER	BETTY ANN	11/24/2025	5/29/2026	\$	430.87
Surv Death-Termination	ZELLMER	BARBARA	4/17/2026	5/29/2026	\$	3,058.98
Surv Death-Termination	ZIOLKOWSKI	MARCIA	3/12/2026	5/29/2026	\$	329.00
					TOTAL \$	50,085.05
Retiree Death-Cont Opt	ALBERTSON	GERALD	5/16/2026	5/1/2026		
Retiree Death-Cont Opt	COCHRAN	ROBERT	5/7/2026	5/1/2026		
Retiree Death-Cont Opt	HANRAHAN	WILLIAM	4/22/2026	5/1/2026		
Retiree Death-Cont Opt	HERNANDEZ	JESUS	5/4/2026	5/1/2026		
Retiree Death-Cont Opt	KOCH	ROBERT	4/11/2026	5/1/2026		
Retiree Death-Cont Opt	LANGE	REINER	5/1/2026	5/1/2026		
Retiree Death-Cont Opt	LONG	HARLAN	5/5/2026	5/1/2026		
Retiree Death-Cont Opt	MOORE RAINEY	CORRINE	5/7/2026	5/1/2026		
Retiree Death-Cont Opt	MULLARKEY	DENNIS	5/8/2026	5/1/2026		
Retiree Death-Cont Opt	STAWICKI	THADDEUS	5/14/2026	5/1/2026		
Retiree Death-Cont Opt	TEPPS	SUSAN	4/10/2026	5/1/2026		
Retiree Death-Cont Opt	WILKERSON	DEAN	5/9/2026	5/1/2026		

Board Report - May 2026

				Withdrawals
Type	Last Name	First Name	Payment Date	Amount
Administrative Withdrawal	AHSMANN-TROTCHIE	MARCIA	5/29/2026	\$ 782.76
Administrative Withdrawal	BROWN	JASMINE	5/29/2026	\$ 525.59
Administrative Withdrawal	IVY	ANDREA	5/29/2026	\$ 1,159.70
Administrative Withdrawal	JOHNSON	DAVID	5/29/2026	\$ 3,612.19
Administrative Withdrawal	ROJO	JUAN	5/29/2026	\$ 837.81
Administrative Withdrawal	SMITH	REENA	5/29/2026	\$ 1,615.20
Administrative Withdrawal	STREETER	JOHN	5/29/2026	\$ 92.23
Administrative Withdrawal	THOMAS	KAREN	5/29/2026	\$ 472.22
Administrative Withdrawal	THOMPSON	ANGEL	5/29/2026	\$ 1,021.94
Administrative Withdrawal	TOLIVER	MADELINE	5/29/2026	\$ 1,649.02
Full Refund	ALLEN	VINCENT	5/29/2026	\$ 11,127.76
Full Refund	BOLZE	RYAN	5/29/2026	\$ 27,008.50
Full Refund	DONALD	GEORGE	5/29/2026	\$ 8,537.86
Full Refund	HAMELIN	CARLA	5/29/2026	\$ 2,238.74
Full Refund	MALONE	RASHEIDA	5/29/2026	\$ 5,975.35
Full Refund	MILLAYES ANDINO	OLGA	5/29/2026	\$ 3,003.80
Full Refund	NIEVES	LUZ	5/29/2026	\$ 3,543.14
Full Refund	ORTIZ	KETZEL	5/29/2026	\$ 3,736.07
Full Refund	ROBINSON	SAMANTHA	5/29/2026	\$ 13,924.94
Member Only Refund	ALAGNA	ANTHONY	5/29/2026	\$ 1,483.36
Member Only Refund	ENGEL	KARLA	5/29/2026	\$ 3,455.69
Member Only Refund	HARVEY	NASHAE	5/29/2026	\$ 1,813.67
Member Only Refund	HOBSON	DECOSA	5/29/2026	\$ 1,627.99
Member Only Refund	HOROWITZ	AZARIAH	5/29/2026	\$ 1,605.77
Member Only Refund	MCKINNEY	JOHN	5/29/2026	\$ 5,053.89
Member Only Refund	MCVEY	JOSHUA	5/29/2026	\$ 4,646.28
Member Only Refund	MONTOYA	MARIA	5/29/2026	\$ 3,721.66
Member Only Refund	NELSON	SHERICKA	5/29/2026	\$ 1,527.52

Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	PARMER	SANDY	5/29/2026 \$	2,308.44
Member Only Refund	SANTANA	CASSANDRA	5/29/2026 \$	1,054.46
Member Only Refund	SIERRA-VARGAS	FATIMA	5/29/2026 \$	4,893.19
Member Only Refund	SMITH	JAMES	5/29/2026 \$	2,107.95
Member Only Refund	TATE	JENNIFER	5/29/2026 \$	3,153.28
Member Only Refund	TAYLOR	TANIELLE	5/29/2026 \$	3,504.94
Member Only Refund	WEITH	REBECCA	5/29/2026 \$	2,951.63
			TOTAL \$	135,774.54

Conference Requests – June 2026 Board Meeting

David Silber	UBS Due Diligence with additional meetings with DFA, BlackRock, MFS, and Neuberger Berman
Sponsor:	UBS
Location:	London, UK
Date(s):	June 27-July 1, 2026
Estimated Cost:	\$4,800.00
David Silber	Baird Advisors' 26 th Annual Institutional Investors Conference
Sponsor:	Robert W. Baird
Location:	Kohler, WI
Date(s):	September 14, 2026
Estimated Cost:	\$80.00
David Silber	Brandes and DFA Due Diligence
Sponsors:	Brandes and DFA
Locations:	Santa Monica and La Jolla, CA
Date(s):	September 22-24, 2026
Estimated Cost:	\$1,950.00
David Silber	2026 LaSalle Americas Investor Summit
Sponsor:	LaSalle Investment Management
Location:	Chicago, IL
Date(s):	October 29-30, 2026
Estimated Cost:	\$500.00
David Silber	The Institutional Partnership – Leaders Retreat
Sponsors:	With Intelligence / S&P Global
Location:	Miami, FL
Date(s):	November 15-18, 2026
Estimated Cost:	\$2,100.00

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

AT LARGE ACTIVE MEMBER ELECTION

TO ELECT ONE ACTIVE MEMBER TO THE ANNUITY AND PENSION BOARD OF
THE EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

FOR TERM COMMENCING JANUARY 1, 2027 AND
EXPIRING DECEMBER 31, 2030.

TERM OF TIMOTHY HELING EXPIRES DECEMBER 31, 2026

RULES AND REGULATIONS FOR THE AT LARGE ACTIVE MEMBER ELECTION
November 6, 2026

Nomination papers shall be available on www.cmers.com or at the office of the Election Commission, Room 501 of City Hall, on August 7, 2026 and must be filed before 3:30 p.m. August 21, 2026. Nomination papers shall be required of all candidates. Each candidate must have at least 100 and no more than 150 signatures of Active members of the system. Active members can not have signed the nomination paper of any other candidate for the same office at this election. To be eligible for nomination and election, candidates must be ERS members in active service. Positions on the ballot shall be determined by lot, and such drawing shall take place in the office of the Election Commission at 10:00 a.m. August 25, 2026. Attendance of candidates is optional.

The election will be held on November 6, 2026. In the event there are more than two candidates and one candidate receives one more than half the number of the legal votes cast at the election, that person receiving said vote shall be declared elected to the office. In the event of failure of any one candidate to receive one more than half the number of the legal votes cast, then the two candidates having the highest number of votes shall have their names placed on the ballot for the run-off election to be held December 11, 2026. In the event that only one eligible candidate files, no election shall take place and the candidate shall be declared elected to the office.

The election will be conducted by mail. Instruction sheet, ballot and return envelope shall be furnished to each eligible Active member of the system at least one week before each election. **Members who do not receive a ballot should contact the Employees' Retirement System at 789 N. Water St., Suite 300, Milwaukee, WI 53202 or by telephone at 414-286-3557 or 1-800-815-8418 to obtain a ballot.** Members shall be required to mark the ballot and enclose such ballot in the return envelope. **For the sole purpose of verifying eligible voters, members are required to PRINT their names, and either their pension numbers, person ID numbers, or payroll numbers on the outside of the mailing envelope.**

ENVELOPES WITHOUT A MEMBER'S NAME, AND EITHER A PENSION NUMBER, PERSON ID NUMBER, OR PAYROLL NUMBER SHALL BE DECLARED ILLEGAL AND DISQUALIFIED, AND SHALL BE EXCLUDED FROM THE ELECTION.

Ballots must be returned in the official envelope via U.S. mail or interdepartmental mail addressed to the City of Milwaukee Election Commission, Room 501. Completed ballots sealed in the official envelopes may also be returned in person at the City of Milwaukee Election Commission or the office of the ERS no later than 9:30 a.m. on the day of the election.

PLEASE MAKE EVERY EFFORT TO VOTE.

Ballots must be received by the Election Commission, at the ERS office, or be in the Post Office Box no later than 9:30 a.m. the day of the election and results will be tabulated at 789 N. Water St. Any interested person may observe the entire procedure.

ANNUITY AND PENSION BOARD

VI.

MEDICAL REPORTS

- A. All Duty & Ordinary Disability Applications & Re-examinations (June).

MERITS

CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM

Page Number: 1 OF 1

Medical Panel Approvals Report

DATE RAN : 06/12/2026

Approved by Executive Director

Pension Board Meeting Date 06/24/2026

TIME RAN : 06:08

DOCTOR DECISION

<u>Case Number</u>	<u>Name</u>	<u>Title</u>	<u>Employer</u>	<u>Case Type</u>	<u>Case Sub-Type</u>	<u>City</u>	<u>Union</u>	<u>Third</u>	<u>Disability Date</u>	<u>Comments</u>
1332	HOFFMAN, APRIL	POLICE SERGEANT	POLICE	DD 90%	Re-Examination	Approved	Approved		10/09/2016	
786	LOVE, DEXTER	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		01/26/2010	
1031	MUCHA, JASON	POLICE SERGEANT	POLICE	DD 75%	Re-Examination	Approved	Approved		12/22/2012	

Number of Cases: 3

This report includes Fire duty disabilities with an application date prior to July 29, 2016; Police MPA duty disabilities with an application date prior to June 19, 2016; and Police MPSO duty disabilities with an application date prior to January 1, 2016.

<u>Name</u>	<u>Title</u>	<u>Employer</u>	<u>CaseType</u>	<u>Case Sub-Type</u>	<u>Disability Date</u>	<u>Medical Council Meeting Date</u>	<u>In Person Exam Waiver</u>
BERTSCHE, JARED	FIREFIGHTER	MILWAUKEE FIRE DEPARTMENT	Ordinary Disability	Re-Examination	10/16/2022	06/05/2026	
BRAYLOCK, QUEDELL	SEWER CREW LEADER II	DPW-SEWER	Duty Disability 75%	Re-Examination	06/15/2007	06/05/2026	
FINNEGAN, AUDRA	DETECTIVE	MPD	Ordinary Disability	Re-Examination	11/28/2010	06/05/2026	
REMBERT, ALLAN	Electrical Worker	DPW	Ordinary Disability	Application	02/28/2026	06/05/2026	
VRTOCHNICK, FRANK	POLICE OFFICER	MPD	Duty Disability 75%	Re-Examination	07/27/2016	06/05/2026	

Number of Cases: 5

This report includes all GC disabilities; all ordinary disabilities; Fire duty disabilities with an application date on/after July 29, 2016; Police MPA duty disabilities with an application date on/after June 19, 2016; and Police MPSO duty disabilities with an application date on/after January 1, 2016.

VII.

UNFINISHED BUSINESS

- A. Pending Legal Opinions and Service Requests Report.
- B. Pending Legislation Report.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (VII.C.), as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

- C. Pending Litigation Report.
- D. Executive Director's Report – Inventory of ERS Projects.



June 24, 2026 Board Meeting

PENDING LEGAL OPINIONS AND SERVICE REQUESTS REPORT

PART 1. LEGAL OPINIONS - OFFICE OF CITY ATTORNEY

04/17/26 **1% Residency Incentive Pay**
ERS has requested legal guidance on whether and under what circumstances a 1% residency incentive payment contained in the recently settled labor agreement between the City of Milwaukee and the Milwaukee Police Supervisors Organization (MPSO) should be included in "current annual salary" for purposes of calculating Duty Disability Retirement benefits.

PART 2. LEGAL OPINIONS - OUTSIDE LEGAL COUNSEL

None.

PART 3. SERVICE REQUESTS - OFFICE OF CITY ATTORNEY

03/27/26 **Cavanaugh MacDonald Consulting LLC Agreement**
ERS has requested assistance in negotiating and drafting a contract with Cavanaugh Macdonald Consulting LLC for actuarial services.
6/4/26 Received draft contract from Assistant City Attorney.

04/17/26 **Investment Management Agreement**
ERS has requested assistance in negotiating and drafting an investment management agreement with a selected finalist for a core fixed income mandate.

06/09/26 **Contract Amendment for Transaction Cost Analysis Services**
ERS has requested assistance in the drafting of a one-year contract extension with Adviser Compliance Associates, L.L.C., ACA (formerly Global Trading Analytics or GTA).

PART 4. SERVICE REQUESTS - OUTSIDE LEGAL COUNSEL

None.



June 24, 2026 Board Meeting

PENDING LEGISLATION REPORT

PART 1. PENDING FILES FOR COMMON COUNCIL ACTION

None.

PART 2. PENDING CHANGES TO THE RULES & REGULATIONS

None.

PART 3. PENDING LEGISLATIVE COMMITTEE REFERRALS

None.

PART 4. PENDING STATE LEGISLATION

None.



June 24, 2026 Board Meeting

PENDING LITIGATION REPORT

Part 1. ERS Litigation through the City Attorney

MPA and Kurt Lacina v. City of Milwaukee, et al; Case Nos. 2023AP000301; and 2022CV001965

Kurt Lacina alleges his DDRA was wrongfully offset by a worker's compensation permanent partial disability award by defendants.

See prior Reports for case history

- 03/18/26 Appellants' Petition for Review filed with the Supreme Court of Wisconsin.
- **03/30/26** Respondents' Response to Petition for Review filed with the Supreme Court of Wisconsin.

Benjean Lara v. City of Milwaukee, et al; Case Nos. 2024AP001685; and 2023CV007107

Member filed Petition for Certiorari Review of Pension Board's denial of disability (duty and ordinary) retirement benefits.

See prior Reports for case history

- 03/18/26 Court of Appeals affirmed Annuity and Pension Board's decision to deny Duty Disability Retirement benefits to Benjean Lara.
- **04/17/26** Appellant's Petition for Review filed with the Supreme Court of Wisconsin.

Kurt Lacina v. Employees' Retirement System, et al; Case Nos. 2025AP001597 and 2024CV008283

Plaintiff alleges that duty disability retirees receiving a 90% benefit are only subject to the re-examination requirements prior to reaching his/her conversion date.

See prior Reports for case history

- **11/24/25** Awaiting assignment to Appellate panel.
- **06/01/26** Notice that the case has been submitted to the court for consideration and determination on briefs, without oral argument.

Part 2. ERS Administrative Appeal Hearings through the City Attorney

Jason E Rodriguez; Administrative Case No. 1443

- Administrative appeal hearing stayed pending outcome of Appellant's state workers compensation (WC) appeal under Wis. Stat. 62.624.
- 02/13/26 State of Wisconsin Department of Workforce Development Worker's Compensation Division issued a decision in favor of the Appellant.
- 04/09/26 Letter sent to Appellant to schedule signing of new Medical Information Authorization forms.

Frank Lockett; Administrative Case No. 1591

- 03/18/26 Hearing examiner issued decision letter confirming that the Annuity and Pension Board—and not the hearing examiner—is the final decision maker for ERS disability benefit appeals.
- 05/12/26 Appeal hearing scheduled.
- 06/08/26 Post-hearing briefs were due and filed.

Part 3. Notice of Claim filed with ERS

None.

Part 4. ERS Litigation through Outside Legal Counsel

None.

Employees' Retirement System – Executive Director's Report

June 2026

I. Personnel Update

- A. Staff is in the process of drafting a Job Announcement Bulletin for the Chief Financial Officer position, and will be posting the position as an internal promotional opportunity.
- B. Pension Investment Analyst – Senior Keith Dickerson will be departing ERS for a new position at the end of the month. Staff is working to quickly fill this vacancy.
- C. Oral board examinations for the Benefits Services Specialist position will take place on June 23 and 25, 2026.
- D. ERS is seeking to fill the Office Assistant III and Records Technician II vacancies from an existing Office Assistant III eligible list created for the Board of Zoning Appeals (BOZA). If successful, this approach will allow ERS to fill these positions without the time delays associated with generating of a new eligible list.

II. Member Services

- A. New retirees on payroll in May – 36, and 37 are currently anticipated for the June payroll.
- B. Retiree/Employee deaths entered in April – 29.
- C. A Retirement Workshop for General City was held on 6/5/26 and 57 attended.
- D. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

Category	Count
Annuitants	
Death - Duty	23
Death - Ordinary	100
Disability - Duty	340
Disability - Ordinary	558
Retirement	12,909
Separation	40
Total Annuitants	13,970
Active	8,234
Deferred	3,601
Total Population	25,805

III. Financial Services

- A. Staff continues to work with the auditors on the Annual Comprehensive Financial Report.
- B. Staff is planning to complete the benefit recalculations and retroactive payments for the MPSO contract with the July 2026 payroll. The MPSO recalculation is for the 2025 and 2026 raises prescribed by the new contract. In July, staff will also recalculate the benefits for certain duty disability retirees who are affected by the Local 215 contract which has a 1% raise effective in PP14 (6/22/26).

IV. Information Services

- A. Upgrade FileNet P8 to IBM CloudPak4BA in progress.
- B. Network Redesign in progress.

- C. IP Address Review and Cleanup 2025 in progress.
- D. DNS Review and Cleanup 2025 in progress.
- E. AD Review and Cleanup 2025 in progress.
- F. Firewall Review and Cleanup 2025 in progress.
- G. Planet Press Upgrade in progress.
- H. Microsoft Windows Upgrade in progress.
- I. Perforce Upgrade in progress.
- J. WCAG 2.0 implementation in progress.
- K. Desktop PCs Upgrade completed.
- L. VMware Environments Upgrade completed.
- M. Storage Area Network Firmware Upgrade completed.

V. Administration

- A. Staff conducted a tabletop exercise on May 28, 2026 to test ERS's business continuity capabilities within the context of a citywide telephone service outage scenario. Staff utilized lessons learned during the exercise to develop immediate action plans and communication strategies for this and similar events.
- B. I attended the National Conference on Public Employee Retirement Systems (NCPERS) Chief Officers Summit from June 15 to June 17, 2026. The summit was attended by more than 100 Chief Executive Officers, Chief Investment Officers, and other senior leaders from public pension plans around the country. The event facilitated collaborative peer discussions on topics such as succession planning, geopolitical economic outlook, strategic planning and budget alignment, business continuity planning, artificial intelligence use cases and integration strategies, business culture and workforce retention, and enterprise system modernization. A report summarizing the summit's core insights is forthcoming, and will be shared with the Board and management staff when completed.
- C. ERS staff is scheduled to meet with the new Secretary-Executive Director and Chief Financial Officer for the Housing Authority of the City of Milwaukee (HACM) on June 24, 2026 to discuss the agency's outstanding employer contributions.

Per the Board's direction, ERS is now sending monthly billing statements to HACM. A copy of June's billing statement is enclosed with this report.



City of Milwaukee
Employees' Retirement System

Patrick J. McClain
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Daniel A. Gopalan, CPA
Deputy Director

Gust P. Petropoulos
Deputy Director

June 04, 2026

Housing Authority of the City of Milwaukee
Attn: Office of the Executive Director
809 N. Broadway, 3rd Floor
Milwaukee, WI 53202

via eMail

Re.: Actuarial Employer Contributions for Plan Years 2024-2026

Good Morning:

The Employees' Retirement System (ERS) collects from its member agencies certain costs due to the System. The Housing Authority has amounts due as outlined below.

Plan Year	Amount Due 1/1/2026	Interest Accrued Thru' 6/30/2026	Amount Due 6/30/2026	Statutory Due Date
2024 (past due)	\$ 582,082	\$ 19,465	\$ 601,547	12/31/2025
2025	\$ 2,024,259	\$ 67,693	\$ 2,091,952	12/31/2026
2026	\$ 1,915,565	\$ 64,058	\$ 1,979,623	12/31/2027
Total for All Years	\$ 4,521,906	\$ 151,216	\$ 4,673,123	

Please note that all amounts due continue to accrue interest at 6.8% p.a. If you would like to reinstate a quarterly payment schedule, please contact Dan Gopalan, ERS CFO, at daniel.gopalan@cmers.com to discuss options.

Please be sure to email Dan Gopalan at daniel.gopalan@cmers.com prior to making the payments, so we can properly credit your account. He can also be reached at 414-286-3708.

Sincerely,

Patrick J. McClain
Executive Director



Basic Website Metrics

	2025									2026			
	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Users	3,319	3,338	3,271	3,171	3,185	4,649	3,000	4,492	4,674	4,498	4,162	4,054	3,849
Page Views	12,215	10,251	10,844	10,313	11,016	18,685	11,595	12,222	14,697	13,800	12,478	12,074	10,634
Ave. Visit	1:25	1:15	1:21	1:22	1:27	1:54	1:08	1:02	1:26	1:21	1:13	1:12	1:05

VIII.

INFORMATIONAL

- A. Conferences.
- B. Class Action Income 2026 YTD.
- C. Minutes of the Investment Committee Meeting Held May 7, 2026.
- D. Report on Bills.
- E. Securities Lending Revenue and Budget Report.
- F. Preliminary Performance Report and Asset Allocation.

Client Conferences 2026 – 2027

Board Meeting: June 24, 2026

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
September 22 – 23, 2026 10:30 am – 2:00 pm	“Callan College” Introduction to Investments Virtual	Callan Associates
October 27 – 29, 2026	USLF Annual Meeting 2026 New York, NY	ProLogis
October 29 – 30, 2026	LaSalle Americas Investor Summit 2026 Chicago, IL	LaSalle
November 4 – 6, 2026	Brandes Due Diligence Summit 2026 La Jolla, CA	Brandes
February 1 – 2, 2027	Apogem 2027 Annual General Meeting Palm Beach, FL	Apogem Capital
April 4 – 6, 2027	Callan Institute 2027 National Conference Scottsdale, AZ	Callan Associates

Trustee Conferences 2026 – 2027

Board Meeting: June 24, 2026

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
July 13 – 15, 2026	Private Equity Exclusive Chicago, IL	with.Intelligence
July 20 – 21, 2026	ALTSCHI Chicago, IL	Markets Group
July 22 – 23, 2026	5 th Private Equity Chicago Forum Chicago, IL	Markets Group
August 17 – 19, 2026	Public Pension Funding Forum 2026 Chicago, IL	NCPERS
September 23, 2026	12 th Annual Great Plains Institutional Forum Minneapolis, MN	Markets Group
September 28 – 29, 2026	Investment Basics Orlando, FL	International Foundation of Employee Benefit Plans
September 30 – October 2, 2026	CII Fall 2026 Conference Boston, MA	Council of Institutional Investors
October 2, 2026	Madison Investment Conference Madison, WI	CFA Society of Madison, SWIB, Wisconsin School of Business
October 6 – 8, 2026	P&I Convergence 2026 New York, NY	Pensions&Investments
October 7 – 8, 2026	Consultants & Institutional Investors Roundtable Chicago, IL	Institutional Investor
October 24 – 25, 2026	Public Plan Trustees Institute – Level I New Orleans, LA	International Foundation of Employee Benefit Plans
October 24 – 25, 2026	Public Plan Trustees Institute – Level II New Orleans, LA	International Foundation of Employee Benefit Plans

Trustee Conferences 2026 – 2027

Board Meeting: June 24, 2026

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
October 24 – 25, 2026	Fiduciary in Focus Workshop 2026 (formerly PATS) Nashville, TN	NCPERS
October 25 – 28, 2026	Public Safety Conference Nashville, TN	NCPERS
October 26 – 27, 2026	Alts 50 New York, NY	with.Intelligence
January 25 – 27, 2027	2027 Visions, Insights & Perspectives (VIP) Americas Carlsbad, CA	Institutional Real Estate, Inc.
February 15 – 16, 2027	Public Plan Trustees Institute – Level I Orlando, FL	International Foundation of Employee Benefit Plans
March 8 – 10, 2027	CII Spring 2027 Conference Washington D.C.	Council of Institutional Investors
April 13 – 14, 2027	13 th Annual Midwest Institutional Forum Chicago, IL	Markets Group
May 5 – 6, 2027	Investment Institute Nashville, TN	International Foundation of Employee Benefit Plans
May 15 – 16, 2027	Trustee Essentials Training 2027 (formerly TEDS) New York, NY	NCPERS
May 15 – 16, 2027	NCPERS Advanced Fiduciary (NAF) Institute 2027 (spring class) New York, NY	NCPERS
May 16 – 19, 2027	Annual Conference & Exhibition (ACE) 2027 New York, NY	NCPERS
June 2 – 24, 2027	2027 Visions, Insights & Perspectives (VIP) Infrastructure Half Moon Bay, CA	Institutional Real Estate, Inc.

Trustee Conferences 2026

Board Meeting: June 24, 2026

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
July 19 – 21, 2027	NCPERS Legislative Forum & Policy Day Washington DC	NCPERS
September 15 – 17, 2027	CII Fall 2027 Conference Denver, CO	Council of Institutional Investors

Upcoming Due Diligence Meetings

Date	Manager(s)	Team
June 27 – July 1, 2026	UBS – London	David
July 28 – 30, 2026	Loomis and MFS	David and Tom
September 22 – 24, 2026	Brandes and DFA	David

Class Action Income 2026 YTD

Asset Description	Date(s)	Amount
Viacom, Inc.	1/6/2026 \$	105
The Bank of New York Mellon	1/16/2026 \$	2
CITIBANK	1/16/2026 \$	2
Warner Brothers Discovery	1/22/2026 \$	2,927
Boston Scientific Corp.	2/12/2026 \$	217
Pluralsight, Inc.	2/26/2026 \$	6,581
Apple, Inc.	4/6/2026 \$	400
Viatis, Inc.	4/6/2026 \$	473
Cerence, Inc.	4/20/2026 \$	2,869
First Solar, Inc.	4/21/2026 \$	38
The Kraft Heinz Co.	4/24/2026 \$	820
Global Payments, Inc.	6/1/2026 \$	52
CAREDX, Inc.	6/11/2026 \$	4,099
Total Class Action Income Received in 2026 YTD	\$	18,585

**EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
ANNUITY AND PENSION BOARD**

Minutes of the Investment Committee Meeting
held May 7, 2026 via teleconference

The meeting was called to order at 9:00 a.m.

Committee Members Present: John Barmore
 Matthew Bell
 Justin DeCleene
 Deborah Ford
 Timothy Heling
 Nik Kovac

Committee Members Not Present: Bill Christianson (arrived 9:20 a.m.)
 Rudy Konrad (excused)

ERS Staff Present: Patrick McClain, Executive Director
 David Silber, Chief Investment Officer
 Erich Sauer, Deputy Chief Investment Officer
 Keith Dickerson, Pension Investment Analyst – Sr.
 Thomas Courtright, Pension Investment Analyst
 Dan Gopalan, Chief Financial Officer
 Jan Wills, Board Stenographer

Others present: Munir Iman, John Jackson, Mike Joecken, Lindsay Jones, Adam Lozinski, Callan; Jerry Allen, Former Executive Director; Lauren Albanese, Financial News; Lauri Rollings, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; Lewis Silber, Student; three members of the public called into the meeting.

Callan Real Estate Presentation. As a matter of information, Committee members received the Callan Real Estate Performance Review 4Q25 booklet. Mr. Iman reminded the Committee that in February, the Committee approved increasing the allocation to Real Estate, with the increase coming from what was previously allocated to Diversified Real Assets. He noted that from a performance perspective, the Real Estate allocation continues to perform well. Mr. Iman then provided a Real Estate Market Overview, gave a CMERS Portfolio Summary, and went over Conclusions and Recommendations. Discussion ensued.

Mr. Silber stated the Committee needs to go into closed session to discuss parts of the real estate portfolio that require closed session for competitive or bargaining reasons.

Mr. Heling advised that the Investment Committee may vote to convene in closed session on the following item, agenda item number I., as provided in Section 19.85(1)(e), Wisconsin Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a

closed session. The Investment Committee may then vote to reconvene in open session following the closed session.

It was moved by Mr. Heling, and seconded by Mr. Barmore to convene in closed session. The motion prevailed by the following roll call: AYES: Ms. Ford; Messrs. Barmore, Bell, DeCleene, Heling, and Kovac. NOES: None.

The Committee convened in closed session at 9:19 a.m.

Mr. Christianson arrived at 9:20 a.m.

The Committee re-convened in open session at 9:36 a.m.

Approval of Real Estate Investment Policy Statement Update. Mr. Silber stated this is a routine item and said that the Real Estate Investment Policy Statement needs to be updated to reflect the elimination of the Public Diversified Real Assets allocation that occurred earlier this year. He noted this adjustment was already made in the Fund’s Statement of Investment Policy in February. Mr. Silber said references previously made to Real Assets now reference Private Real Estate, and the 12% target to what used to be called Real Assets is now all going into Private Real Estate.

It was moved by Mr. Bell, and seconded by Mr. DeCleene to approve the Approval of Real Estate Investment Policy Statement Update. The motion was adopted by unanimous consent.

Callan Investment Manager Assessment Presentation. As a matter of information, Committee members received the CMERS Manager Assessment Presentation document as of December 31, 2025. Mr. Joecken said Callan is looking at the Public Markets managers on a regular basis, but the Investment Committee receives this report once a year. He noted Mr. Iman talks to the Committee every year about the Private Real Estate managers. Mr. Joecken said the Global Manager Research Team puts the report together, there are no manager ratings or scores, but the managers are looked at on a regular basis and views are expressed over a variety of factors. He stated the team looks at the product, people, the team, the philosophy of each one of the investment products, how the philosophy and process is implemented, and also looks at short-term and long-term performance. Mr. Joecken said they assign a view such as “within expectations,” which means everything is going as expected, “notable,” which means something that the team is keeping an eye on, but not any concern right now, “cautionary,” which is a little more critical than “notable,” but something to take a deeper dive into, but not looking to make any decisions, and “under review,” for when a critical point is reached and a decision needs to be made one way or another on a manager. He said most of the managers are listed as “within expectations,” or “notable.” He said there is a “cautionary” note for MFS related to short-term and long-term performance. Mr. Joecken noted MFS is a well-resourced investment management firm with robust research capabilities and team. He stated most of the underperformance has been due to market environments and market headwinds, but the underlying fundamentals remain strong. Discussion ensued.

Callan 2026 Public Equity Structure Study Presentation. As a matter of information, Committee members received the Callan 2026 Public Equity Structure Study booklet. Mr. Jackson stated these types of studies are done periodically and are an outgrowth of the asset allocation

study, whereby each asset class is segmented into different market exposures and decisions are made on how to structure the portfolio at a manager level and a style level to then come up with an optimal implementation. He noted the heavy lifting was done by the capital markets research group and Mr. Lozinski and Ms. Jones put this together for the most part. Mr. Jackson noted the three segments of Public Equity are Domestic Equity, Non-U.S. Equity, and Global which is a combination of both International and U.S. Markets. He stated the last study was done in 2022. Mr. Jackson said the Public Equity Structure represents about 36% of the overall allocation to the Fund, which is \$2.3 billion as of December 31st 2025. Mr. Jackson said there are now 11 manager mandates. Mr. Lozinski then discussed the different segments of the public markets. The topics he covered were Basic Tenets of Manager Structure, Equity Structure Considerations, Sources of Active Risk in the Equity Structure, Equity Structure Components, How Market Cycles Have Shifted Benchmark Characteristics, Asset Allocation targets and Market Values, and Current Manager Style Analysis. He also discussed the Public Equity Structure Review with the topics of Defining the Alternative Mixes, Alternative Portfolio Mixes, Style Analysis for Alternative Portfolio Mixes, Characteristics for Alternative Portfolio Mixes, Weighted Average Market Cap for Alternative Portfolio Mixes, Small Cap Exposure for Alternative Portfolio Mixes, Z-Score for Alternative Portfolio Mixes, North America Exposure for Alternative Portfolio Mixes, Emerging Markets Exposure for Alternative Portfolio Mixes, Pro Forma Excess Return for Alternative Portfolio Mixes, Pro Forma Tracking Error for Alternative Portfolio Mixes, Pro Forma Excess Return Ratio for Alternative Portfolio Mixes, and Considerations for Each Mix. Discussion ensued. Mr. Lozinski stated Alternative 1 is similar to what the Fund has today, Alternative 2 is close to what was adopted last time, and Alternative 3 is a more extreme change, going with where the market currently is in terms of Large-Cap Growth characteristics. Discussion ensued.

Approval of Public Equity Structure.

It was moved by Mr. Barmore, and seconded by Mr. Kovac to approve the Approval of Public Equity Structure for Alternative 2. The motion was adopted by unanimous consent.

Ms. Ford left the meeting at 11:20 a.m.

The Chair called for a break at 11:21 a.m.

The Chair resumed the meeting at 11:31 a.m.

CMERS 1st Quarter 2026 Performance Update. As a matter of information, Committee members received the 1st Quarter 2026 Performance Report booklet. Mr. Silber stated he would talk about the recent Performance Update and the Fund overview. He said Mr. Dickerson would go over the three asset classes of Public Equity, Fixed Income, and Absolute Return. Mr. Silber noted Mr. Iman just talked about the Real Estate allocation, and said that Private Equity would not be talked about today because no statements were received in the 1st quarter. He stated CMERS expects to receive Q4 2025 and Q1 2026 Privat Equity statements during the April – June time period. Mr. Silber congratulated Mr. Dickerson, who found out yesterday that he passed the final exam for the CAIA (Chartered Alternative Investment Analyst) designation. He noted Mr. Dickerson is also a CFA (Chartered Financial Analyst) Charterholder. Mr. Silber said the ERS Total Fund Market Value as of May 6, 2026 is estimated to be \$6.72 billion. He said the year-to-

date estimated net-of-fee return is right around 4.5%, trailing the benchmark by about 20 basis points. Mr. Silber discussed the market volatility in the first quarter and the strong rebound experienced since then. He discussed the asset allocation as of March 31, 2026 and said the Fixed Income allocation was higher than the Public Equity allocation as a result of the Fund's overweight to Fixed Income. Mr. Silber said the Fund was not close to hitting any rebalancing triggers during the quarter and noted that the Public Equity allocation ended March very close to target. Mr. Silber said the Public Equity portfolio outperformed during the quarter, and said that the Fixed Income allocation had a return that was within 20 basis points of its benchmark. He noted the Fund had a lot of liquidity and because of that the Fund was able to ride out the market volatility without having to sell any investments. Mr. Silber discussed the Fund's relative performance expectations, the impact of the Fund's style bias's, first quarter attribution, Fund performance, and notable manager events.

Mr. Dickerson discussed Public Equity and said during the quarter, on an absolute basis, it returned a -0.2%. He said on a relative basis, it was a good quarter, outperforming the benchmark by 250 basis points. Mr. Dickerson noted the Fund is exceeding its benchmark in the longer time periods. He said the Public Equity allocation was in the top 15 percentile among the peer group, and across all time periods, is comfortably in the top half. Mr. Dickerson discussed the characteristics and manager performance for the Public Equity allocation, noting that the majority of active managers outperformed during the quarter. Discussion ensued.

Mr. Dickerson discussed Fixed Income and said for the quarter, it was a return of -0.2% with the Index being flat. He said the one- and three-year returns are compelling on a relative basis as are the performance figures over the longer term. Mr. Dickerson said the Fixed Income allocation is at the top half of the peer group. He said Reams was flat for the quarter and said Loomis is a more credit-oriented manager and credit had a tough quarter and Loomis underperformed by 0.7%. He said longer-term returns look really good and there is no reason to question the capabilities of the Fund's active managers in this part of the portfolio. Mr. Dickerson noted the yield to maturity is at 5% and 6% for these managers, respectively. He noted it is a good position to be in as far as a de-risking Plan goes.

He discussed Absolute Return and stated both managers, Aptitude and UBS, started off the year well, but ended the quarter not so well. Mr. Dickerson said the Absolute Return allocation is back on solid footing with these managers given the recent estimates. He noted one report which stated for the month of March this year, it was one of the worst quarters for hedge funds in the past three to five years. Mr. Dickerson said there is still reason to be optimistic about the asset class and some of the returns that can be generated. Discussion ensued.

Informational.

Callan 4th Quarter 2025 Performance Report. As a matter of information, Committee members received the Callan 4th Quarter 2025 Performance Report.

It was moved by Mr. Heling, and seconded by Mr. Bell to adjourn the meeting. The motion was adopted by unanimous consent.

There being no further business, Mr. Heling adjourned the meeting at 12:10 p.m.

Patrick J. McClain
Secretary and Executive Director

NOTE: All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employees' Retirement System, 789 N. Water Street, Suite 300.)

Fiscal Year
2026
Department
Employees' Retirement System

City of Milwaukee
Departmental
Appropriation Budget Balances

As of: 2026-06-30

	Budget	2026-3	2026-4	2026-5	Year to Date Expended	Life to Date Commitments	Remaining Budget
<i>Regular Departmental Appropriations:</i>							
Employee Salaries & Wages	5,384,455.00	-	-	-	-	-	5,384,455.00
Base Pay-Salary & Wage	-	339,852.35	319,101.33	336,905.96	1,753,107.75	-	(1,753,107.75)
Overtime Premium	-	226.13	538.20	144.20	1,330.41	-	(1,330.41)
Other Worked Compensation	-	-	12,368.64	-	13,943.88	-	(13,943.88)
Non-Worked Compensation	-	-	1,632.13	-	42,434.06	-	(42,434.06)
Time Paid Not Worked	-	56,455.44	75,538.52	57,736.24	486,026.67	-	(486,026.67)
Employee Salaries & Wages	\$ 5,384,455.00	396,533.92	409,178.82	394,786.40	\$ 2,296,842.77	\$ -	\$ 3,087,612.23
Fringe Benefits Applied	2,423,005.00	-	-	-	-	-	2,423,005.00
Fringe Benefits Applied	-	178,660.39	167,751.57	90,971.27	835,468.58	-	(835,468.58)
Applied Employee Benefits	\$ 2,423,005.00	178,660.39	167,751.57	90,971.27	\$ 835,468.58	\$ -	\$ 1,587,536.42
Operating Expenditures	15,770,400.00	-	-	-	-	-	15,770,400.00
Office Supplies	-	946.42	-	-	3,610.02	-	(3,610.02)
Magazines, Subscription	-	566.46	-	-	1,958.44	-	(1,958.44)
Postal and Mailing Services	-	14,205.16	13,968.78	-	55,581.80	-	(55,581.80)
Electricity	-	3,796.44	3,800.35	3,059.70	19,132.26	-	(19,132.26)
Other Operating Supply	-	-	-	-	14,532.80	-	(14,532.80)
Building Rental	-	40,716.32	40,716.32	39,216.32	239,777.34	-	(239,777.34)
Printing & Dupl Machine Rental	-	1,689.64	510.86	510.86	7,310.15	-	(7,310.15)
Consulting	-	34,595.90	71,297.90	34,547.90	169,544.80	-	(169,544.80)
Medical, Surgical & Lab	-	14,428.00	5,202.87	1,812.75	21,443.62	-	(21,443.62)
Administrative Charges	-	107,003.78	27,393.14	59,435.73	278,592.11	-	(278,592.11)
Other Professional Services	-	281,539.13	372,604.69	632,200.81	180,832.63	-	(180,832.63)
Systems Support	-	75,039.53	61,719.94	28,302.00	362,940.07	-	(362,940.07)
IT Infrastructure	-	9,379.34	24,170.00	-	33,549.34	-	(33,549.34)
Infrastructure	-	28,560.00	5,828.37	-	34,388.37	-	(34,388.37)
Telephone, Communications	-	5,644.91	6,401.21	600.00	21,088.89	-	(21,088.89)
Bldgs-Machinery & Equip Repair	-	-	13,462.59	-	13,462.59	-	(13,462.59)
Travel & Subsistence	-	4,805.67	1,675.96	3,420.90	16,168.19	-	(16,168.19)
Printing Services	-	1,617.26	77.35	-	3,263.56	-	(3,263.56)
Insurance-Non Health	-	-	-	-	12,787.00	-	(12,787.00)
Other Misc Services	-	2,340.30	46,615.88	224.00	52,082.88	-	(52,082.88)
Operating Expenditures	\$ 15,770,400.00	626,874.26	695,446.21	803,330.97	\$ 1,542,046.86	\$ -	\$ 14,228,353.14
All Equipment	1,558,000.00	-	-	-	-	-	1,558,000.00
Computer Server & Components	-	-	112,916.33	-	112,916.33	-	(112,916.33)
Total Equipment	\$ 1,558,000.00	-	112,916.33	-	\$ 112,916.33	\$ -	\$ 1,445,083.67
Total Regular Class	\$ 25,135,860.00	1,202,068.57	1,385,292.93	1,289,088.64	\$ 4,787,274.54	\$ -	\$ 20,348,585.46
<i>Other Departmental Appropriations:</i>							
Group Life Insurance Premium	4,200,000.00	382,418.53	381,432.74	384,930.16	1,887,987.97	-	2,312,012.03
Retiree's Benefit Adjustment	15,000.00	996.27	996.27	145.05	4,130.13	-	10,869.87
Other Classes	\$ 4,215,000.00	383,414.80	382,429.01	385,075.21	\$ 1,892,118.10	\$ -	\$ 2,322,881.90
Total Dept Appropriations	\$ 29,350,860.00	1,585,483.37	1,767,721.94	1,674,163.85	\$ 6,679,392.64	\$ -	\$ 22,671,467.36

Employes' Retirement System
Securities Lending Income and Expenses: 2026
As of MAY 31, 2026

Date	Income From Lending	Amounts Expended		Balance
		Fees	Administrative Transfers	
Balance 12-31-25				\$697,277.74
Quarter 1 Totals	\$272,446.88	\$53,545.59	\$698,000.00	\$218,179.03
04/06/26	\$584.65	\$0.00	\$0.00	\$218,763.68
04/15/26	\$85,965.23	\$17,187.05	\$0.00	\$287,541.86
05/05/26	\$768.29	\$0.00	\$0.00	\$288,310.15
05/15/26	\$82,560.16	\$16,507.91	\$0.00	\$354,362.40
Current Totals	\$442,325.21	\$87,240.55	\$698,000.00	\$354,362.40

Note: Expenses for Board Travel/Education, Computer Equipment, Publications and Consulting are now paid from the Operations/Management account

MERS PERFORMANCE ESTIMATES
May 31, 2026

Account	2025 Return	1st Quarter 2026	Apr 2026	May 2026	YTD Thru 5/31/2026
Northern Trust S&P 500 Index	17.88%	-4.33%	10.49%	5.26%	11.26%
S&P 500	<u>17.88%</u>	<u>-4.33%</u>	<u>10.49%</u>	<u>5.26%</u>	<u>11.27%</u>
Difference	0.00%	0.00%	0.00%	0.00%	-0.01%
BlackRock Russell 1000 Value Index	15.92%	2.11%	8.15%	2.95%	13.69%
Russell 1000 Value	<u>15.91%</u>	<u>2.10%</u>	<u>8.16%</u>	<u>2.95%</u>	<u>13.68%</u>
Difference	0.01%	0.01%	0.00%	0.00%	0.01%
DFA US Large Cap Value	16.95%	4.57%	6.63%	3.98%	15.94%
Russell 1000 Value	<u>15.91%</u>	<u>2.10%</u>	<u>8.16%</u>	<u>2.95%</u>	<u>13.68%</u>
Difference	1.04%	2.47%	-1.53%	1.03%	2.26%
Polen	5.18%	-11.28%			-11.28%
S&P 500	<u>17.88%</u>	<u>-1.32%</u>			<u>-1.32%</u>
Difference	-12.70%	-9.96%			-9.96%
Earnest	10.70%	3.49%	8.87%	-0.23%	12.42%
Russell MidCap	<u>10.60%</u>	<u>1.29%</u>	<u>7.33%</u>	<u>2.85%</u>	<u>11.82%</u>
Difference	0.10%	2.20%	1.54%	-3.08%	0.59%
DFA US Small Cap Value	9.15%	6.92%	7.76%	0.26%	15.52%
Russell 2000 Value	<u>12.59%</u>	<u>4.96%</u>	<u>9.66%</u>	<u>2.79%</u>	<u>18.30%</u>
Difference	-3.45%	1.97%	-1.90%	-2.53%	-2.78%
Brandes	40.03%	1.45%	4.50%	1.95%	8.08%
MSCI EAFE	<u>31.22%</u>	<u>-1.24%</u>	<u>7.45%</u>	<u>3.07%</u>	<u>9.37%</u>
Difference	8.81%	2.69%	-2.95%	-1.12%	-1.29%
DFA Int'l Small Cap Value	52.07%	3.05%	5.21%	2.92%	11.58%
MSCI EAFE Small Cap	<u>31.83%</u>	<u>-1.25%</u>	<u>8.93%</u>	<u>3.95%</u>	<u>11.81%</u>
Difference	20.24%	4.31%	-3.72%	-1.03%	-0.23%
AQR	30.89%	3.19%	14.92%	9.73%	30.13%
MSCI EM	<u>33.57%</u>	<u>-0.17%</u>	<u>14.71%</u>	<u>9.69%</u>	<u>25.61%</u>
Difference	-2.68%	3.36%	0.21%	0.05%	4.51%
BlackRock ACWI Ex US Growth		-2.43%	10.64%	5.81%	14.22%
MSCI ACWI ex US Growth		<u>-3.62%</u>	<u>11.16%</u>	<u>5.58%</u>	<u>13.11%</u>
Difference		1.19%	-0.52%	0.23%	1.11%
BlackRock Global Alpha Tilts	25.05%	0.35%	10.77%	5.81%	17.62%
MSCI ACWI	<u>22.34%</u>	<u>-3.20%</u>	<u>10.17%</u>	<u>5.16%</u>	<u>12.15%</u>
Difference	2.71%	3.56%	0.60%	0.65%	5.47%
MFS	8.77%	-9.51%	6.93%	1.03%	-2.24%
MSCI ACWI	<u>22.34%</u>	<u>-3.20%</u>	<u>10.17%</u>	<u>5.16%</u>	<u>12.15%</u>
Difference	-13.57%	-6.30%	-3.25%	-4.13%	-14.39%
BlackRock Gov't Bond Index	6.24%	0.06%	-0.07%	0.11%	0.11%
Bloomberg Gov't Bond	<u>6.31%</u>	<u>-0.04%</u>	<u>-0.07%</u>	<u>0.11%</u>	<u>0.00%</u>
Difference	-0.07%	0.10%	0.00%	0.00%	0.11%
BlackRock Aggregate Bond Index		0.06%	0.12%	0.32%	0.49%
Bloomberg US Aggregate		<u>-0.05%</u>	<u>0.11%</u>	<u>0.31%</u>	<u>0.38%</u>
Difference		0.10%	0.00%	0.01%	0.11%
Reams	8.70%	0.01%	0.27%	0.34%	0.62%
Bloomberg US Aggregate	<u>7.30%</u>	<u>-0.05%</u>	<u>0.11%</u>	<u>0.31%</u>	<u>0.38%</u>
Difference	1.40%	0.06%	0.16%	0.03%	0.25%
Loomis Sayles	9.78%	-0.70%	1.01%	0.30%	0.59%
Bloomberg US Aggregate	<u>7.30%</u>	<u>-0.05%</u>	<u>0.11%</u>	<u>0.31%</u>	<u>0.38%</u>
Difference	2.48%	-0.66%	0.89%	-0.01%	0.22%
UBS	9.75%	1.20%	1.31%	0.82%	3.37%
SOFR + 4%	<u>8.34%</u>	<u>1.89%</u>	<u>0.62%</u>	<u>0.63%</u>	<u>3.17%</u>
Difference	1.41%	-0.69%	0.69%	0.19%	0.20%
Aptitude	11.94%	0.39%	4.50%	1.59%	6.57%
SOFR + 4%	<u>8.34%</u>	<u>1.89%</u>	<u>0.62%</u>	<u>0.63%</u>	<u>3.17%</u>
Difference	3.59%	-1.51%	3.88%	0.97%	3.41%
Principal	14.82%	4.67%			4.67%
Blended Benchmark	<u>16.54%</u>	<u>4.05%</u>			<u>2.52%</u>
Difference	-1.72%	0.62%			2.15%
Baird	5.10%	0.52%	0.31%	0.26%	1.10%
Bloomberg Govt/Credit 1-3 Year	<u>5.35%</u>	<u>0.28%</u>	<u>0.24%</u>	<u>0.16%</u>	<u>0.69%</u>
Difference	-0.25%	0.23%	0.08%	0.10%	0.41%
Total MERS	12.88%	0.16%	3.42%	1.73%	5.38%

The calculation for the Fund's total rate of return is based on the Modified Dietz method. Although periodic cash flows (i.e., contributions, redemptions) are not time weighted, they are accounted for in the Fund's total rate of return. Therefore, this estimated rate of return may vary slightly from the rate of return reported by the custodian.

The returns shown are gross of fees (except Total MERS, DFA International Small Cap Value, AQR, Principal, UBS, and Aptitude).

Principal performance runs through 2/2/2026.

Polen performance runs through 3/6/2026

ACTUAL ALLOCATIONS

May 31, 2026

		Target	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	4.41%	\$ 293,293,182	4.36%
	BlackRock (Russell 1000 Value)	1.98%	\$ 234,359,487	3.48%
	Sub-Total Passive Large Cap Equity	6.39%	\$ 527,652,669	7.84%
Active Large Cap Equity	DFA (Russell 1000 Value)	3.15%	\$ 171,772,159	2.55%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	3.42%	\$ 205,796,315	3.06%
	DFA (Russell 2000 Value)	3.24%	\$ 217,799,775	3.23%
	Sub-Total Active Mid/Small Cap Equity	6.66%	\$ 423,596,090	6.29%
Total Domestic		16.20%	\$ 1,123,020,918	16.68%
International				
Active International Equity	Brandes (MSCI EAFE)	5.76%	\$ 345,434,699	5.13%
	DFA (MSCI EAFE Small Cap)	3.15%	\$ 206,218,684	3.06%
	AQR (MSCI EM)	1.44%	\$ 133,099,499	1.98%
	Sub-Total Active International Equity	10.35%	\$ 684,752,882	10.17%
Passive International Equity	BlackRock (MSCI ACWI ex US Growth)	3.33%	\$ 259,102,918	3.85%
Total International		13.68%	\$ 943,855,800	14.02%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	3.60%	\$ 303,544,700	4.51%
	MFS (MSCI ACWI)	2.52%	\$ 168,935,238	2.51%
Total Global		6.12%	\$ 472,479,937	7.02%
Total Public Equity		36.00%	\$ 2,539,356,655	37.71%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 308,586,494	4.58%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 308,104,382	4.58%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 88,451,944	1.31%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 103,266,961	1.53%
Total Private Equity		11.00%	\$ 808,409,781	12.01%
TOTAL EQUITY (Public Equity + Private Equity)		47.00%	\$ 3,347,766,436	49.72%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash		1.00%	\$ 78,025,142	1.16%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.75%	\$ 506,658,622	7.52%
	BlackRock (Bloomberg US Aggregate)	3.41%	\$ 223,435,258	3.32%
	Sub-Total Passive Fixed Income	11.16%	\$ 730,093,880	10.84%
Active Fixed Income	Reams (Bloomberg US Aggregate)	9.92%	\$ 842,766,001	12.52%
	Loomis Sayles (Bloomberg US Aggregate)	9.92%	\$ 647,957,992	9.62%
	Sub-Total Active Fixed Income	19.84%	\$ 1,490,723,994	22.14%
Total Fixed Income		32.00%	\$ 2,298,843,015	34.14%
Absolute Return				
	Aptitude (SOFR + 4%)	3.86%	\$ 232,074,612	3.45%
	UBS (SOFR + 4%)	5.14%	\$ 316,524,679	4.70%
Total Absolute Return		9.00%	\$ 548,599,291	8.15%
TOTAL FIXED INCOME & ABSOLUTE RETURN		41.00%	\$ 2,847,442,307	42.29%
PRIVATE REAL ESTATE				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.55%	\$ 85,832,785	1.27%
	Morgan Stanley (NFI-ODCE)	3.20%	\$ 150,341,705	2.23%
	LaSalle (NFI-ODCE)	2.98%	\$ 136,665,944	2.03%
	Prologis (NFI-ODCE)	1.61%	\$ 84,396,018	1.25%
	Harrison Street (NFI-ODCE)	1.66%	\$ 72,415,312	1.08%
	Sub-Total Private Real Estate - Core	12.00%	\$ 529,651,764	7.87%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 8,196,159	0.12%
TOTAL PRIVATE REAL ESTATE		12.00%	\$ 537,847,924	7.99%
TOTAL ERS			\$ 6,733,056,666	100.00%
Total City Reserve Fund	R. W. Baird		94,984,528	

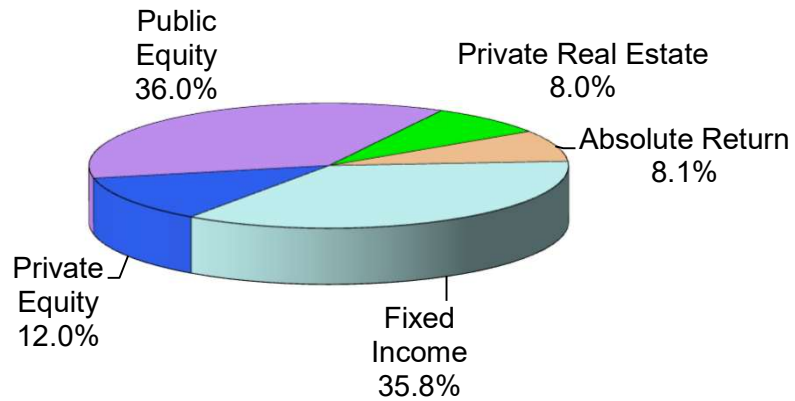
PROJECTED TARGET ALLOCATIONS

Jun 17, 2026

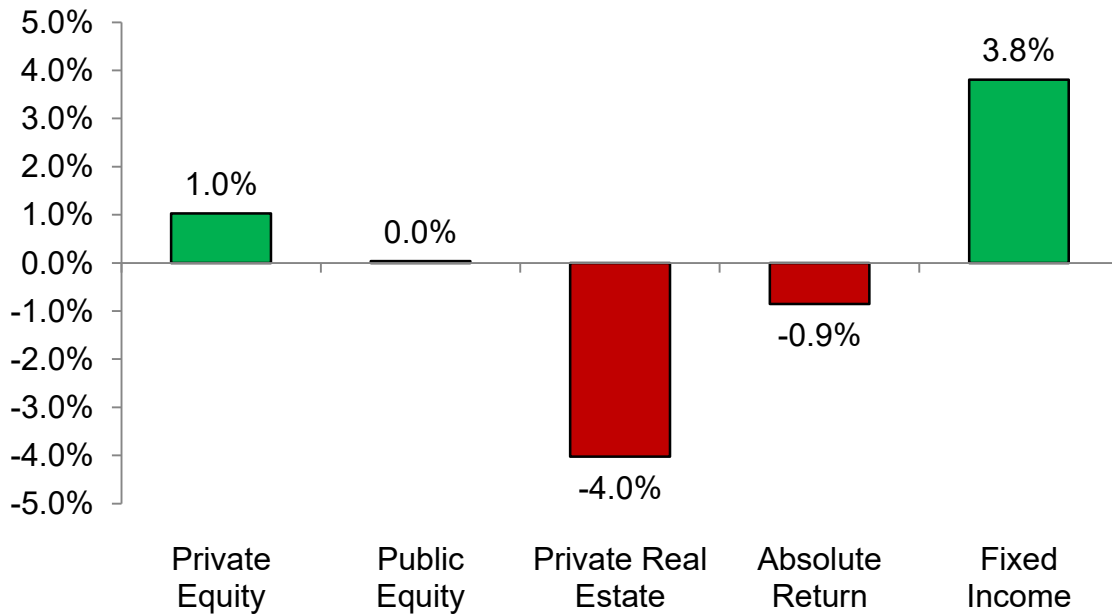
		Target	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	4.41%	\$ 287,359,470	4.27%
	BlackRock (Russell 1000 Value)	1.98%	\$ 186,808,207	2.77%
	Sub-Total Passive Large Cap Equity	6.39%	\$ 474,167,678	7.04%
Active Large Cap Equity	DFA (Russell 1000 Value)	3.15%	\$ 173,671,599	2.58%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	3.42%	\$ 210,961,218	3.13%
	DFA (Russell 2000 Value)	3.24%	\$ 218,396,414	3.24%
	Sub-Total Active Mid/Small Cap Equity	6.66%	\$ 429,357,632	6.38%
Total Domestic		16.20%	\$ 1,077,196,908	16.00%
International				
Active International Equity	Brandes (MSCI EAFE)	5.76%	\$ 367,501,598	5.46%
	DFA (MSCI EAFE Small Cap)	3.15%	\$ 208,004,443	3.09%
	AQR (MSCI EM)	1.44%	\$ 104,678,154	1.55%
	Sub-Total Active International Equity	10.35%	\$ 680,184,195	10.10%
Passive International Equity	BlackRock (MSCI ACWI ex US Growth)	3.33%	\$ 235,225,106	3.49%
Total International		13.68%	\$ 915,409,301	13.59%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	3.60%	\$ 268,416,945	3.99%
	MFS (MSCI ACWI)	2.52%	\$ 165,744,220	2.46%
Total Global		6.12%	\$ 434,161,165	6.45%
Total Public Equity		36.00%	\$ 2,426,767,374	36.04%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 308,586,494	4.58%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 310,606,009	4.61%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 88,451,944	1.31%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 102,459,049	1.52%
Total Private Equity		11.00%	\$ 810,103,496	12.03%
TOTAL EQUITY (Public Equity + Private Equity)		47.00%	\$ 3,236,870,870	48.07%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash		1.00%	\$ 191,194,144	2.84%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.75%	\$ 506,216,085	7.52%
	BlackRock (Bloomberg US Aggregate)	3.41%	\$ 223,172,718	3.31%
	Sub-Total Passive Fixed Income	11.16%	\$ 729,388,803	10.83%
Active Fixed Income	Reams (Bloomberg US Aggregate)	9.92%	\$ 842,390,123	12.51%
	Loomis Sayles (Bloomberg US Aggregate)	9.92%	\$ 648,237,970	9.63%
	Sub-Total Active Fixed Income	19.84%	\$ 1,490,628,093	22.14%
Total Fixed Income		32.00%	\$ 2,411,211,041	35.81%
Absolute Return				
	Aptitude (SOFR + 4%)	3.86%	\$ 232,074,612	3.45%
	UBS (SOFR + 4%)	5.14%	\$ 316,524,679	4.70%
Total Absolute Return		9.00%	\$ 548,599,291	8.15%
TOTAL FIXED INCOME & ABSOLUTE RETURN		41.00%	\$ 2,959,810,332	43.95%
PRIVATE REAL ESTATE				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.55%	\$ 85,832,785	1.27%
	Morgan Stanley (NFI-ODCE)	3.20%	\$ 150,341,705	2.23%
	LaSalle (NFI-ODCE)	2.98%	\$ 136,665,944	2.03%
	Prologis (NFI-ODCE)	1.61%	\$ 84,396,018	1.25%
	Harrison Street (NFI-ODCE)	1.66%	\$ 72,415,312	1.08%
	Sub-Total Private Real Estate - Core	12.00%	\$ 529,651,764	7.87%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 7,811,791	0.12%
TOTAL PRIVATE REAL ESTATE		12.00%	\$ 537,463,555	7.98%
TOTAL ERS			\$ 6,734,144,757	100.00%
Total City Reserve Fund	R. W. Baird		94,992,261	

PROJECTED VERSUS POLICY ALLOCATIONS

Asset Mix Using Projected Balances



Asset Allocation vs. Current Policy Benchmark



2026 ESTIMATED MONTHLY CASH FLOWS

Revised 6/18/2026

(in 000's)

	<u>12/31/2025</u>	<u>1/31/2026</u>	<u>2/28/2026</u>	<u>3/31/2026</u>	<u>4/30/2026</u>	<u>5/31/2026</u>	<u>6/30/2026</u>	<u>7/31/2026</u>	<u>8/31/2026</u>	<u>9/30/2026</u>	<u>10/31/2026</u>	<u>11/30/2026</u>	
Beginning Cash Account Balance													
Townsend Cash Account	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Contribution Account	-	-	-	-	-	-	-	-	-	-	-	-	
Milwaukee Cash Account	53,360	71,342	168,690	138,962	62,957	76,124							
Total Cash Available	53,360	71,342	168,690	138,962	62,957	76,124							
Less: Estimated Cash Needs for non-Investment Outflows	41,500	41,500	41,500	41,500	41,500	41,500							
Cash Available for Other Outflows	11,860	29,842	127,190	97,462	21,457	34,624							
For Monthly Cash Outflows of:													
Retiree Payroll Expense	(41,364)	(41,785)	(43,226)	(43,005)	(42,765)	(42,554)	(42,659)	(42,765)	(42,871)	(42,976)	(43,083)	(43,189)	(512,242)
Normal Retirement Payroll	(41,298)	(41,406)	(42,592)	(42,459)	(41,949)	(42,054)	(42,159)	(42,265)	(42,371)	(42,476)	(42,583)	(42,689)	(506,302)
Retiree Lump Sum Payments	(66)	(379)	(634)	(546)	(815)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(5,940)
Real Estate Capital Calls	-	-	(25)	(46,000)	-	-	(50,000)	-	-	-	-	-	(96,025)
Private Equity Capital Calls	(59)	(3,870)	(2,317)	(1,190)	(11,383)	(13,427)	-	-	-	-	-	-	(32,247)
Expenses Paid through City	(2,053)	(552)	(1,457)	(990)	(1,277)	(1,529)	(2,053)	(2,053)	(2,053)	(2,053)	(2,053)	(2,053)	(20,176)
PABF Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Monthly Cash Outflows	(43,476)	(46,207)	(47,026)	(91,185)	(55,424)	(57,511)	(94,712)	(44,818)	(44,924)	(45,029)	(45,136)	(45,242)	(660,690)
For Monthly Cash Inflows:													
Sponsoring Agency and Employee Contribution	4,429	2,629	2,606	2,622	2,688	2,695	3,773	2,709	2,715	2,722	2,729	3,821	36,137
Real Estate Distributions	1,599	-	94	2,744	-	359	-	-	-	-	-	-	4,797
Private Equity Distributions	11,965	7,848	9,632	9,274	12,189	7,309	-	-	-	-	-	-	58,217
Miscellaneous Income	183	358	462	533	307	301	300	300	300	300	300	300	3,946
Security Lending Transfer	698	-	-	-	-	-	-	-	-	-	-	-	698
City and Agency Required Contribution	205,085	-	207	-	-	-	-	-	-	-	-	-	205,293
PABF Inflow	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Monthly Cash Inflows	223,959	10,835	13,002	15,173	15,185	10,665	4,073	3,009	3,015	3,022	3,029	4,121	309,088
Net Monthly Cash Inflows/(Outflows) Before Withdrawals	180,483	(35,372)	(34,024)	(76,012)	(40,239)	(46,846)	(90,639)	(41,809)	(41,908)	(42,007)	(42,107)	(41,122)	(351,602)
Net Monthly Cash Surplus (Need)	192,342	(5,529)	93,167	21,450	(18,782)	(12,222)	(90,639)	(41,809)	(41,908)	(42,007)	(42,107)	(41,122)	(29,167)
Monthly Cash Withdrawals (Additions)													
AQR		4,200				17,500	13,000						
BlackRock Global Alpha Tilts						35,000	29,000						
BlackRock Russell 1000 Value Index						50,000	55,000						
BlackRock ACWI ex US Growth						15,000	13,000						
BlackRock US Government Bond Index	(24,000)												
Blackrock US Aggregate Index Fund	(151,000)												
Brandes		12,400				(14,000)	(21,000)						
Dimensional Fund Advisors US Large Cap							(31,000)						
Dimensional Fund Advisors International		7,100				(11,000)	(5,000)						
Dimensional Fund Advisors US Small Cap		7,700											
Earnest		7,300					(11,000)						
Loomis Sayles	(55,000)	(50,000)											
MFS						36,000							
Northern Trust S&P 500 Index						42,400							
Polen			47	7									
Principal	67,500	148,213											
Reams													
Transition Account		7	49		6								
UBS A&Q													
Goldman/Aptitude													
Sub-Total Monthly Cash Withdrawals	(162,500)	136,920	96	7	170,906	42,000	-	-	-	-	-	-	-
Estimated Month-End Cash Balance													
Cash Available	29,842	131,390	93,262	21,457	152,124	29,778							
Estimated Cash Needs for non-Investment Outflows	41,500	41,500	41,500	41,500	41,500	41,500							
Total Cash Estimated on Hand For Next Month	71,342	172,890	134,762	62,957	193,624	71,278							