

Milwaukee County Exec Abele: Abele announces Retirement Sustainability Taskforce

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Milwaukee, Wisconsin – In the wake of a comprehensive examination of the County’s pension system that confirmed systemic errors spanning decades, Milwaukee County Executive Chris Abele today announced the launch of a Retirement Sustainability Taskforce charged with studying comprehensive reforms that will ensure retirement security for future retirees and long-term fiscal sustainability for the County.

The Taskforce meetings will be facilitated by the Public Policy Forum and the Taskforce will also include technical assistance from subject matter experts like The Pew Charitable Trusts’ public sector retirement systems project.

“Our current pension system is overly complicated and unsustainable. It has been proven incapable of providing the accuracy and consistency our workers and taxpayers deserve. I am not willing to leave the retirement security of our future retirees up to this failed system,” said County Executive Chris Abele. “The recent examination of the system confirmed systemic errors dating back to at least 1979. Clearly, the County’s past strategy of ad-hoc reform does not work.”

Although the current administration has caught and fixed dozens of errors, the continued complexity of the system — which has more than 2,000 variations —

requires manual calculations which are ripe for interpretation and other errors.

Even without these complications the system itself is on the brink of a funding crisis. While the Pension Board has smartly implemented major reforms to bring the system in line with national best practices, the County's unfunded pension liabilities have grown to \$515 million and that number will only get higher.

However, higher costs have not made our benefits package more attractive for County employees. Employee contributions are required by statute for fund stability. Now with employees contributing 6.5% of their salary, the retirement benefit offered is often less than what an employee can receive from a private sector position. County employees make valuable contributions to our community through their work and they also contribute to our growing economy. Our workers — and future workers — deserve the promise of financial security when they retire, but they also deserve better wages now. Comprehensively reforming unsustainable pension benefits now will lead to a more secure retirement in the future and free up County resources to invest more in our employees up front.

"A strong middle-class is the foundation of our local economy," said Abele. "To help grow and protect that economy, our County government must provide financial stability for the public workers who have committed themselves to serving our community and for the taxpayers who count on us to invest their dollars wisely."

The taskforce will consider multiple options, including, but not limited to, a move to the state system. The state option is an attractive option that needs to be further explored. There are also dozens of other successful modifications that other public and private employers have made over the last decade. These modifications need to be fully understood to determine if they are the right fit for Milwaukee County taxpayers and employees.

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