

Milwaukee County Executive Abele: Examination of pension system confirms systemic errors span at least three decades

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Milwaukee, Wisconsin – The Milwaukee County Employee Retirement Systems today released a report from auditors at Baker Tilly, which detailed the auditors’ findings in their comprehensive examination of the County’s pension system. Auditors reviewed a random sample of pension calculations dating back to 1955, determining that one in two calculations had an error of some sort, ranging from missing documentation to inconsistent interpretation of constantly-changing County law. So far, the vast majority of these errors will have a very small (less than \$2 per month) impact on individual pension beneficiaries.

Milwaukee County Executive Chris Abele today released the following statement in response to the report.

“This report is concerning but not entirely surprising. We assumed auditors would uncover both isolated benefit errors due to individual miscalculations or varying interpretation of County ordinances, as well as widespread classes of errors that impact large groups of retirees — and they did.

“Ad-hoc reforms have been implemented by multiple administrations and multiple

County Boards for decades. This examination also confirms that this kind of piecemeal reform strategy is a total failure for our system.

“Fortunately for our retirees, the vast majority of the errors discovered so far will have a very small impact on individual beneficiaries. We will correct these errors as quickly as we responsibly can because our retirees deserve peace of mind knowing that their earned benefits are paid correctly.

“The larger picture is that the County’s historical approach to reform through partial fixes is an abject failure. Nothing short of a complete overhaul will fix these problems for good. I am committed to getting Milwaukee County’s employees, retirees, and taxpayers the system we all deserve.”

For more information, including downloads of the executive summary and full report from Baker Tilly, please visit: <http://county.milwaukee.gov/pension>