

# **Milwaukee County Employees' Retirement System**

## **Frequently Asked Questions**

### **1. *What is a protective survivorship option pension?***

- A member who is still in active employment, but who has reached eligibility for a normal retirement benefit, may elect a protective survivorship benefit to be paid to a beneficiary in the event the retirement-eligible member dies while still in active employment. A member may select either option 2 or 3<sup>1</sup> benefit.
- If a member dies in active service with a surviving spouse and without having completed an election form, the surviving spouse will automatically be paid an option 3 benefit. However, if a member dies in active service without a surviving spouse and has not completed and filed the necessary form to name a beneficiary, a protective survivorship benefit will not be paid to anyone. Therefore, if a single member wishes to name a beneficiary other than a surviving spouse, or if a member with a surviving spouse wishes to select an option 2 benefit instead of the automatic option 3 benefit for that spouse, the member must file a written election on a form prescribed by the pension board.
- Upon reaching eligibility for a normal retirement benefit, a member still in active service should complete an election form designating a beneficiary and an optional benefit. In addition, if the marital status of a retirement-eligible member still in active service changes from married to single, then a new form must be completed and filed in order to designate a beneficiary. Contact ERS at 414-278-4207 to obtain forms.

### **2. *When should I contact ERS about retirement?***

- Contact us for retirement at least 60 days before your anticipated retirement date. At that time we will provide estimates of your monthly benefit and, if applicable, back drop. Until then, you can use our Retirement Benefits Calculator to project your future retirement benefits. The calculator is located on the intranet site at <http://172.31.1.40/Hrintranet/retire2.htm>

### **3. *When can I apply for deferred retirement?***

- You can send your application form to us within 30-60 days before your retirement date. Active employees who are eligible can apply for retirement when eligible.

### **4. *When are the pension checks mailed? Can checks be sent to my bank or financial institution?***

- The checks are sent to the U.S. Postal Service on the day before the last business day of the month. Direct deposit forms are available by request and online if you'd like us to transfer the funds electronically each month to your bank or financial institution. It's the fastest and safest method to receive your payments. ERS recommends the use of direct deposit.

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<sup>1</sup> Option 2 provides a lifetime benefit of one half the employees' benefit to the beneficiary. Option 3 provides a lifetime benefit equal to the employees' benefits to the beneficiary.

5. ***I am having my check sent to my home. What if it doesn't arrive on the first of the month?***
  - If your check does not arrive in the mail, please wait until the 10<sup>th</sup> of the month before contacting us. (Most checks arrive by the 10<sup>th</sup>.) If you know that your check was stolen, you can contact us immediately. We will stop payment on the missing check and have a replacement check issued. Please remember that once we have stopped payment on the original check it can no longer be cashed. You may want to consider having your check direct deposited in your checking or savings account. This would avoid any delays due to mail service.
6. ***When will I receive my first payment?***
  - If you apply 30-60 days before your annuity effective date (normally the day after your retirement date), you should receive your first payment within four to seven weeks after your retirement date or two to four weeks after your last payroll check. Your payment will include payments retroactive to your annuity effective date. The payment you receive at the end of each month is for that month.
7. ***What if I retire during a month rather than on the first of the month? Will I be paid for the entire month?***
  - No. You are paid retirement benefits only for the days you are actually retired. Your first payment could be for a partial month or for a full month if you chose to take a back drop.
8. ***Do my retirement checks increase after I retire?***
  - Yes. On the first of the month after a retired member reaches their retirement anniversary date, the monthly pension benefit will be increased by 2% of the first full monthly pension payment.
9. ***Will I receive a statement for income tax purposes after I retire?***
  - Yes. Every year prior to January 31<sup>st</sup>, we will send a 1099-R form to you for the previous year. This form provides important tax information necessary to file your income tax return.
10. ***Can I have tax withholding deducted from my pension check?***
  - Yes. Currently, ERS will deduct federal and Wisconsin income taxes from your payment. The member must complete a withholding form with the ERS office. (Also the form is available online.)
11. ***Can I change my annuity option election after I apply for my retirement benefit?***
  - Yes. You can change your election up to the retirement date. Optional elections cannot be changed on or after your retirement date, or after payments have been made.
12. ***After I retire, can I change my beneficiary (i.e. divorce, death of beneficiary)?***
  - There are two options that allow a change of beneficiary: Option 1 (mandatory acct bal) and Option 6 (ten-year certain). Options 2-5 are Joint & Survivor options. For these options the beneficiary cannot be changed.