



Legislation Text

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File #: 44268, Version: 1

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**Fiscal Note**

This invoice has been paid from existing appropriations.

**Title**

Granting authority to the City Attorney to pursue legal action against ETF, the former public health employee and any other necessary party to recover the money loaned by the City to the former employee for the employee portion, with interest, of the WRS contribution.

**Body**

WHEREAS, a former employee working in public health appealed to the Department of Employee Trust Funds (ETF) seeking that they should be enrolled in the Wisconsin Retirement System (WRS); and

WHEREAS, the City reviewed the employee's eligibility and found she was an employee and was eligible for enrollment in the Wisconsin Retirement System for the years 1980-1983; and

WHEREAS, the City reported the employee's wages and hours to ETF on or around May 31, 2016 and;

WHEREAS, ETF informed the City that the following amounts were due by July 29, 2016:

Employee share	\$ 699.92
Interest	<u>\$15,296.41</u>
	\$15,996.33
Employer Share	\$ 787.04
Interest	<u>\$17,193.93</u>
	\$17,980.97
Total Invoice	\$33,977.30

WHEREAS, the City paid to ETF the employer and employee portion of the contribution on July 29, 2016; and

WHEREAS, in previous litigation on the issue of who is responsible for paying the employee portion of the WRS contribution the ETF Board found that the City is not, and was not, legally obligated to pay the employee share of the WRS contribution; and

WHEREAS, the City had never paid the employee portion of the WRS contribution for similarly situated employees; and

WHEREAS, the ETF Board decision was held up on appeal; and

WHEREAS, the City believes it has the obligation to pay the employer contributions but disputes whether the City has the obligation to pay the employee portion; and

WHEREAS, ETF takes the position that the issue is between the City and the employee and ETF is obligated to collect all of the money from the City to fund the pension; and

WHEREAS, to avoid interest and penalties which the State could deduct after 30 days from the City's apportionment of state aid or taxes payable to the City, the City may loan, or advance, the employee portion of the contributions and interest to its former public health employee in the amount of \$15,996.33; and

WHEREAS, with any loan or advance, the City will recoup the loaned money through various means including, but not limited to, collection actions, garnishment, tax intercept, etc., and will create a receivable with the collected funds; and

WHEREAS some of the methods of collection may require legal action to obtain judgments and facilitate collection activities;

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Madison, that the City Attorney is authorized to pursue legal action against ETF, the former public health employee and any other necessary party to recover the money loaned by the City to the former employee for the employee portion, with interest, of the WRS contribution.