



## MEMORANDUM

Date: June 2, 2011

To: Personnel Committee *PA*

From: Pamela A. Captain, City Attorney/Human Resources Director

RE: Personnel Policy Handbook, ARTICLE V, B, 11 (Wisconsin Retirement System)

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Wisconsin law requires the City of Menasha to provide participation in the Wisconsin Retirement System (WRS). Contributions are based on a percentage of income and class of employee. The required income percentage contributions for 2011 and a WRS Contribution Rate History are attached.

In accordance with the City of Menasha Personnel Policy Handbook and Union Contracts with Locals 1035, 1035B and 603, the City presently contributes 100% of the required employee and employer contributions. When the Mayor prepared the 2011 budget for Common Council consideration he prepared it with the anticipation that all employees pay the required employee contribution to WRS.

However, union contracts with Locals 1035 and 1035B are in effect through 2011. Alternatively, the Mayor considered imposing furlough days in order to meet budget projections. Members of two of the City's unions, Local 1035 and Local 1035B are taking six furlough days in 2011.

The Common Council is able to make changes to the personnel policy handbook as it desires. ARTICLE V, B, 11 of the personnel policy handbook provides:

### ARTICLE V – COMPENSATION

- B. Indirect Compensation. The City offers a competitive array of indirect compensation to all of its regular full-time non-represented employees. Regular part-time non-represented employees may be eligible for limited benefits on a prorated basis as determined by management. Casual employees shall not be eligible for any indirect compensation except as may be required by State and Federal law. The City specifically reserves the right to amend or alter the following elements of indirect compensation at any time.

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11. Retirement. The City provides participation in the Wisconsin Retirement System (WRS) for all non-represented regular full-time and regular part-time

employees. Presently, the City contributes 100% of the required employee and employer contributions.

#### TAX CONSEQUENCES:

Presently, since the City contributes 100% of the required employee contribution to WRS, the contribution is made on a pre-tax basis for state and federal income tax purposes. Both the City and the employee pay social security taxes on the contributed amount. If the City changes its indirect compensation benefit and no longer contributes towards the required employee share to WRS, the employee required contribution will be made on a post-tax basis for state and federal income tax purposes unless the City takes action and adopts a resolution that the contributions are made on a pre-tax basis.

Employer Name MENASHA, CITY OF

General							
Calendar Year	Employee Required	Benefit Adjust	Employer Required	Prior Service	Duty Disability	Sick Leave	Total
2010	5.0	1.2	4.8	0.0	0.0	0.0	11.0
2011	5.0	1.5	5.1	0.0	0.0	0.0	11.6

Elected Officials, Judges, State Executive Pay Plan							
Calendar Year	Employee Required	Benefit Adjust	Employer Required	Prior Service	Duty Disability	Sick Leave	Total
2010	3.2	0.0	8.7	0.0	0.0	0.0	11.9
2011	3.9	0.0	9.4	0.0	0.0	0.0	13.3

Protective with Social Security							
Calendar Year	Employee Required	Benefit Adjust	Employer Required	Prior Service	Duty Disability	Sick Leave	Total
2010	5.5	0.0	8.6	0.0	6.6	0.0	20.7
2011	5.8	0.0	8.9	0.0	6.6	0.0	21.3

Protective without Social Security							
Calendar Year	Employee Required	Benefit Adjust	Employer Required	Prior Service	Duty Disability	Sick Leave	Total
2010	3.9	0.0	11.3	0.0	6.6	0.0	21.8
2011	4.8	0.0	12.2	0.0	6.6	0.0	23.6

## WRS Contribution Rate History

	Year	Employer Normal Cost	Benefit Adjustment Contribution	Participant Normal Cost	Total Normal Cost
<b>General and Teacher Participants</b>	2011	5.1	1.5	5.0	11.6
	2010	4.8	1.2	5.0	11.0
	2009	4.5	0.9	5.0	10.4
	2008	4.6	1.0	5.0	10.6
	2007	4.6	1.0	5.0	10.6
	2006	4.5	.9	5.0	10.4
	2005	4.4	.8	5.0	10.2
	2004	4.2	.6	5.0	9.8
	2003	4.0	.4	5.0	9.4
	2002	3.8	.2	5.0	9.0
	2001	3.8	.2	5.0	9.0
	2000	4.1	.5	5.0	9.6
	1999	4.4	.8	5.0	10.2
	1998	4.8	1.2	5.0	11.0
	1997	5.0	1.4	5.0	11.4
	1996	5.1	1.5	5.0	11.6
	1995	4.8	1.2	5.0	11.0
	1994	4.8	1.2	5.0	11.0
	1993	4.8	1.2	5.0	11.0
	1992	4.8	1.2	5.0	11.0
1991	4.7	1.1	5.0	10.8	
1990	4.6	1.0	5.0	10.6	
1989	4.9	1.0	5.0	10.9	
<b>Executives and Elected Officials</b>	2011	9.4	0.0	3.9	13.3
	2010	8.7	0.0	3.2	11.9
	2009	8.5	0.0	3.0	11.5
	2008	8.5	0.0	3.0	11.5
	2007	8.5	0.0	3.0	11.5
	2006	8.4	0.0	2.9	11.3
	2005	8.3	0.0	2.8	11.1
	2004	8.1	0.0	2.6	10.7
	2003	8.1	0.0	2.6	10.7
	2002	8.6	0.0	3.1	11.7
	2001	9.4	0.0	3.9	13.3



**Security**

2008	10.8	0.0	3.4	14.2
2007	10.8	0.0	3.4	14.2
2006	10.7	0.0	3.3	14.0
2005	10.7	0.0	3.3	14.0
2004	10.6	0.0	3.2	13.8
2003	9.8	0.0	2.4	12.2
2002	10.4	0.0	3.0	13.4
2001	10.7	0.0	3.3	14.0
2000	11.8	0.0	4.4	16.2
1999	12.8	0.0	5.4	18.2
1998	13.2	0.0	5.8	19.0
1997	13.6	0.0	6.2	19.8
1996	14.2	0.0	6.8	21.0
1995	14.6	0.0	7.2	21.8
1994	14.9	0.0	7.5	22.4
1993	14.9	0.0	7.5	22.4
1992	14.9	0.0	7.5	22.4
1991	14.9	0.0	7.5	22.4
1990	15.4	0.0	8.0	23.4
1989	15.4	0.0	8.0	23.4