

SUPREME COURT OF WISCONSIN

Suzanne Stoker and Wisconsin Federation of Nurses and Health Professionals, Local 5001, AFT, AFL-CIO v. Milwaukee County and Milwaukee County Pension Board

359 Wis. 2d 347 (2014) · No. 2012AP2466 · Decided December 19, 2014

SUMMARY

The Wisconsin Supreme Court reviewed whether Milwaukee County breached a contractual pension right by reducing the pension multiplier from 2% to 1.6% for county service performed on or after January 1, 2012. The court held that the reduction was prospective only and did not diminish or impair benefits already accrued and vested, and that the employee had no vested right to the 2% multiplier for future, unearned service. The court reversed and remanded with directions to dismiss the complaint.

CASE DETAILS

COURT	Supreme Court of Wisconsin
WRITING FOR THE COURT	Annette Kingsland Ziegler, J.; Ann Walsh Bradley, J.; Shirley S. Abrahamson, C.J.
JURISDICTION	Wisconsin
DECIDED	December 19, 2014
DOCKET	2012AP2466
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The Wisconsin Supreme Court reviewed a published court of appeals decision affirming the circuit court's grant of summary judgment, declaratory relief, and injunctive relief to Stoker and the Federation in a breach-of-contract challenge to Milwaukee County's prospective reduction of a pension multiplier.
STANDARD OF REVIEW	The court independently reviewed the grant of summary judgment. It reviewed statutory and ordinance interpretation de novo.
PRECEDENTIAL VALUE	Published Wisconsin Supreme Court opinion; precedential
PARTIES	Milwaukee County, Milwaukee County Pension Board v. Suzanne Stoker, Wisconsin Federation of Nurses and Health Professionals, Local 5001, AFT, AFL-CIO

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QUESTIONS PRESENTED

1. Whether Milwaukee County had authority under the governing session laws and its home-rule authority to prospectively reduce the pension multiplier for benefits not yet earned.
2. Whether Stoker had a vested contractual right to have the 2% multiplier apply to county service rendered after January 1, 2012.
3. Whether the Federation lawfully consented on Stoker's behalf to the reduction.

HOLDINGS

1. Milwaukee County could prospectively reduce the pension multiplier for benefits that had not vested before the effective date of the reduction.
2. Stoker did not have a vested right to have the 2% multiplier apply to service rendered after January 1, 2012.
3. Milwaukee County did not breach its contract with Stoker by reducing the multiplier from 2% to 1.6% for post-2011 service.

KEY QUOTATIONS

“The amendment did not breach Stoker's contractual right to retirement system benefits earned and vested because it had prospective-only application to future service credits not yet earned, specifically, on and after January 1, 2012.” (359 Wis. 2d 352)

“Milwaukee County could so amend the formula and apply it prospectively because that prospective application does not “diminish or impair” benefits accrued from service credits already earned.” (359 Wis. 2d 376)

FACTUAL BACKGROUND

Suzanne Stoker began Milwaukee County employment and membership in the Milwaukee County Employees' Retirement System in 1982, when a 1.5% pension multiplier applied. Milwaukee County increased the multiplier to 2% for service credit earned on and after January 1, 2001, and later adopted a 2011 ordinance reducing it to 1.6% for service rendered on and after January 1, 2012, pursuant to a collective bargaining agreement with the Federation. The reduction did not affect Stoker's benefits for service through December 31, 2011; it applied only to future, unearned service.

PROCEDURAL HISTORY

Stoker and the Federation filed suit in Milwaukee County Circuit Court challenging a 2011 Milwaukee County ordinance reducing the pension multiplier from 2% to 1.6% for service rendered on and after January 1, 2012. The circuit court granted plaintiffs' summary judgment motion, and the court of appeals affirmed. The Wisconsin Supreme Court reversed and remanded with instructions to dismiss the complaint.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The matter was remanded to the Milwaukee County Circuit Court to dismiss the complaint.

CASES CITED

- Tatera v. FMC Corp., 2010 WI 90, 328 Wis. 2d 320, 786 N.W.2d 810
- Racine County v. Oracular Milwaukee, Inc., 2010 WI 25, 323 Wis. 2d 682, 781 N.W.2d 88
- Marris v. City of Cedarburg, 176 Wis. 2d 14, 498 N.W.2d 842 (1993)
- County of Columbia v. Bylewski, 94 Wis. 2d 153, 288 N.W.2d 129 (1980)
- Noffke ex rel. Swenson v. Bakke, 2009 WI 10, 315 Wis. 2d 350, 760 N.W.2d 156
- Megal Development Corp. v. Shadof, 2005 WI 151, 286 Wis. 2d 105, 705 N.W.2d 645
- State ex rel. Kalal v. Circuit Court for Dane County, 2004 WI 58, 271 Wis. 2d 633, 681 N.W.2d 110
- Bruno v. Milwaukee County, 2003 WI 28, 260 Wis. 2d 633, 660 N.W.2d 656
- Chickasaw Nation v. United States, 534 U.S. 84 (2001)
- Circuit City Stores, Inc. v. Adams, 532 U.S. 105 (2001)
- Neiman v. American National Property & Casualty Co., 2000 WI 83, 236 Wis. 2d 411, 613 N.W.2d 160
- Loth v. City of Milwaukee, 2008 WI 129, 315 Wis. 2d 35, 758 N.W.2d 766
- Champine v. Milwaukee County, 2005 WI App 75, 280 Wis. 2d 603, 696 N.W.2d 245
- Pasko v. Milwaukee County, 2013 WI App 91, 349 Wis. 2d 444, 836 N.W.2d 461
- Valeo v. J. I. Case Co., 18 Wis. 2d 578, 119 N.W.2d 384 (1963)
- Wisconsin Professional Police Association v. Lightbourn, 2001 WI 59, 243 Wis. 2d 512, 627 N.W.2d 807
- Central Laborers' Pension Fund v. Heinz, 541 U.S. 739 (2004)
- Welter v. City of Milwaukee, 214 Wis. 2d 485, 571 N.W.2d 459 (Ct. App. 1997)
- Rehrauer v. City of Milwaukee, 2001 WI App 151, 246 Wis. 2d 863, 631 N.W.2d 644
- Dunn v. Milwaukee County, 2005 WI App 27, 279 Wis. 2d 370, 693 N.W.2d 82
- Hussey v. Milwaukee County, 740 F.3d 1139 (7th Cir. 2014)
- Stoker v. Milwaukee County, 2013 WI App 144, 352 Wis. 2d 125, 841 N.W.2d 532