

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

LRB #-1327/1

INTRODUCTION # S.B. 127

Admin. Rule #

Subject Effectively changes the effective date of 1997 Wis. Act 58 from 12/23/97 to 1/1/97 to grant death benefit improvements to those dying during that time period.

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

Decrease Costs

Local:  No local government costs

- 1.  Increase Costs
  - Permissive
  - Mandatory
- 2.  Decrease Costs
  - Permissive
  - Mandatory

- 3.  Increase Revenues
  - Permissive
  - Mandatory
- 4.  Decrease Revenues
  - Permissive
  - Mandatory

5. Types of Local Governmental Units Affected:

- Towns
- Villages
- Cities
- Counties
- Others \_\_\_\_\_
- School Districts
- WTCS Districts

Fund Sources Affected

- GPR
- FED
- PRO
- PRS
- SEG
- SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

This bill grants additional death benefits to beneficiaries of WRS members who died during 1997, but before 1997 Wis. Act 58 became effective (on 12/23/97) and would have given them better death benefit coverage. The amount of additional benefit granted is an amount for which this bill provides a special GPR appropriation [necessary under the Wis. Constitution, Art. IV, Sec. 26 (1) and (3)] equal to the deceased member's accumulated contributions at time of death.

The Department of Employee Trust Funds estimates that this would affect 46 WRS participants. In 1997, \$12,332,000 in death benefits was paid to 369 WRS beneficiaries. Using valuation data, the ratio of the average account for members age 55 through 59 who died during this period to those younger who died is estimated at 2.5:1. This implies that the average estimated death benefit payable to the 46 beneficiaries would be about \$70,100 -- for a total payout of about \$3.2 million. This cost would be borne by the state.

Long-Range Fiscal Implications:

None

Prepared By: / Phone # / Agency Name  
Joint Survey Committee  
on Retirement Systems

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Date  
9/1/99

**FISCAL ESTIMATE WORKSHEET**  
Session

Detailed Estimate of Annual Fiscal Effect

1999

- ORIGINAL  
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**Subject**

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**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$ 3,200,000	\$ - 0
(FTE Position Changes)	( n/a FTE)	( n/a FTE)
State Operations - Other Costs	0	- 0
Local Assistance	0	- 0
Aids to Individuals or Organizations	0	- 0
<b>TOTAL State Costs by Category</b>	<b>\$ 3,200,000</b>	<b>\$ - 0</b>
<b>B. State Costs by Source of Funds</b>		
GPR	\$ 3,200,000	\$ - 0
FED	0	- 0
PRO/PRS	0	- 0
SEG/SEG-S	0	- 0
<b>State Revenues</b> Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$ 0	\$ - 0
GPR Earned	0	- 0
FED	0	- 0
PRO/PRS	0	- 0
SEG/SEG-S	0	- 0
<b>TOTAL State Revenues</b>	<b>\$ 0</b>	<b>\$ - 0</b>

**NET ANNUALIZED FISCAL IMPACT**  
STATE LOCAL

NET CHANGE IN COSTS \$ 3,200,000 \$ 0

NET CHANGE IN REVENUES \$ 0 \$ 0

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