

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL                       UPDATED  
 CORRECTED                       SUPPLEMENTAL

**LRB # -2277/1**

**INTRODUCTION # S.B. 88**

Admin. Rule #

**Subject**

Allowing double use of military service for pension credit for both WRS and federal pensions.

**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                       Increase Existing Revenues  
 Decrease Existing Appropriation                       Decrease Existing Revenues  
 Create New Appropriation

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:**

Present law prohibits a retiree from having his/her pension increased under the Wisconsin Retirement System (WRS) by crediting U.S. military service that is also being credited under a federal retirement plan. This bill would eliminate this prohibition against "double dipping".

Assuming that 5% of military service is eventually credited under a federal retirement plan, the estimated cost of this bill would be an increase of about \$10 million to the employers' unfunded liability. This would increase the year 2001 employers' contribution by about \$520,000, and this amount would increase by 4.8% each year (compounded) to about a \$2.1 million additional annual contribution 30 years hence. The state would be responsible for an estimated 29% of this cost, or \$150,000 in 2001 increasing to \$609,000 after 30 years.

**Long-Range Fiscal Implications:**

After 30 years there would be virtually no cost remaining to be funded, since only pre-1974 military service is covered under this bill.

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

**Authorized Signature / Telephone No.**  
  
 Scott L. Dennison                      266-5251

**Date**  
 8/30/99

**FISCAL ESTIMATE WORKSHEET**  
Session

Detailed Estimate of Annual Fiscal Effect

1999

- ORIGINAL       UPDATED  
 CORRECTED     SUPPLEMENTAL

**LRB # 2277/1**

Admin. Rule #

**INTRODUCTION # S.B. 88**

**Subject**

Allowing double use of military service for pension credit for both WRS and federal pensions.

**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	\$ 151,000	\$ - 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>\$ 151,000</b>	<b>\$ - 0</b>
<b>B. State Costs by Source of Funds</b>		
GPR	\$ 151,000	\$ - 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	\$ 151,000	\$ 369,000
NET CHANGE IN REVENUES	\$ 0	\$ 0

Prepared By: / Phone # / Agency Name Joint Survey Committee On Retirement Systems	Authorized Signature/Telephone No. <i>Scott L. Dennison</i> Scott L. Dennison 266-5251	Date 8/30/99
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