

Fiscal Estimate Narratives

ETF 12/2/2005

LRB Number	05-4054/1	Introduction Number	SB-438	Estimate Type	Original
Description Calculating creditable service for purposes of early retirement under the Wisconsin Retirement System					

Assumptions Used in Arriving at Fiscal Estimate

SB-438 would modify the criteria used to determine the offset to the actuarial reduction associated with early retirement for non-teacher WRS participants who have part-time service and who retire prior to reaching the normal retirement age. Assumptions used in the preparation of this estimate are as follows:

- * Calculations for estimates and final annuity amounts related to the offset to the actuarial reduction are primarily performed via manual processes for participants who qualify under these offset provisions (both under current law and as proposed under the bill draft).
- * An additional 15,000 active participants would qualify for the increased offset to the actuarial reduction.
- * An additional 1,000 retirement estimates and an additional 250 final annuity calculations would have the offset determined via manual processes each year.
- * An additional 6,400 inactive participants could qualify for the increased offset only if they returned to WRS covered service prior to retirement. This estimate assumes that none of these inactive participants would return to WRS covered service.

This estimate relates only to the administrative costs anticipated to be incurred by the Department of Employee Trust Funds. An estimate of the program costs will be provided in a separate submission by the Joint Survey Committee on Retirement Systems.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-4054/1		Introduction Number SB-438	
Description Calculating creditable service for purposes of early retirement under the Wisconsin Retirement System			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$130,800 associated with salary, fringe benefits, printing and postage. The equivalent of 1.2 SEG FTE would be required during the implementation year.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$106,200	
(FTE Position Changes)		(1.3 FTE)	
State Operations - Other Costs		5,100	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$111,300	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		111,300	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$111,300	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By			
ETF/ Jon Kranz (608) 267-0908		Authorized Signature	
		Dave Stella (608) 266-3641	
Date			12/2/2005