



## Fiscal Estimate Narratives

ETF 7/18/2007

LRB Number <b>07-1848/3</b>	Introduction Number <b>SB-222</b>	Estimate Type <b>Original</b>
<b>Description</b> Retirement benefits provided to educational support personnel under the Wisconsin Retirement System		

### Assumptions Used in Arriving at Fiscal Estimate

This bill would modify the retirement benefits under the Wisconsin Retirement System (WRS) provided to education support staff by reducing the annual number of work hours required to receive one year of creditable service from 1,904 hours to 1,320 hours (the same as teacher participants). In addition, this bill modifies the calculation used for determining the actuarial reduction for participants who retire prior to the WRS defined normal retirement age.

Assumptions used in the preparation of this estimate include:

\* More educational support staff would qualify as WRS participants since the number of annual hours required for WRS participation would be reduced from 600 hours to 448 hours. While there is no information currently available regarding the number of individuals who would become eligible as a result of this bill, this estimate assumes that there would be 2,500 new participants.

\* There are approximately 19,900 participants whose benefits could potentially be increased as result of this bill.

\* An additional 1,000 retirement estimates and 275 final retirement calculations would have to undergo manual calculation annually as a result of this bill.

Administrative costs for the Department of Employee Trust Funds would increase by approximately \$18,000 annually and require an additional 0.4 FTE permanent position. Implementation costs would be approximately \$78,000 and require an additional 1.25 FTE during the implementation year.

Local government employers may incur costs associated with the modified WRS eligibility criteria. The Department does not have a mechanism to determine the administrative costs (if any) that local governments would incur as a result of this bill.

This estimate only provides the additional administrative costs associated with this bill. Costs associated with the increased retirement benefits provided by the bill will be estimated by the Joint Survey Committee on Retirement Systems.

### Long-Range Fiscal Implications

Since this bill could potentially increase the number of WRS participants, costs associated with the Department's disability programs may increase proportionately.