

LRB or Bill No./Adm. Rule  
 AB 124 (99-1943/1)  
 Amendment No. if applicable

FISCAL ESTIMATE  
 DOA-2048 (R10/92)

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**Subject**  
 Creditable military service under the Wisconsin Retirement System.

**Fiscal Effect**

State:  No State Fiscal Effect

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

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

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

Decrease Costs

Local:  No local government costs

1.  Increase Costs  
 Permissive     Mandatory  
 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     VTAE Districts

**Fund Sources Affected**  
 GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations**  
 s. 20.515 (1)(w)

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, a participant in the WRS may receive one year of creditable service for each year of military service, up to a maximum of four years of military service credit if the participant's military service was performed before 1974 and the participant has at least five, ten, fifteen or twenty years of creditable service. This bill allows military service credit for active military service served at any time (not just prior to 1974).

Under current law, a participant in the WRS may not receive credit for military service if the participant is using the same military service to receive a federal retirement benefit. This bill eliminates this provision.

Based upon these assumptions, there will be a 5% ongoing increase in participants requesting credit for active military service and an additional 800 inquiries (phone and written) about military service credit. It is estimated that our Member Services Bureau will have one-time staff costs of \$4,600 to revise forms and brochures, change telephone system messages, revise internal operating procedures, provide staff training, and handle increased workload associated with telephone and written inquiries, e-mails, and walk-in appointments.

The Division of Employer Services estimates on-going annual operational staff costs of \$1,200 for military service processing based upon the 5% increase (84) in participants submitting requests for additional military service credit.

Military calculation and affidavit notification programs within our Wisconsin Employee Benefits System (WEBS) will need to be modified to reflect the new changes in the bill. One-time estimated costs for system changes for contract developer time, user testing and central processing unit (CPU) time are \$18,300.

This fiscal estimate addresses only the administrative costs of AB 124. The Joint Survey Committee on Retirement Systems will estimate the fiscal effect on the trust fund.

**Long-Range Fiscal Implications**

On-going.

Agency/Prepared by: (Name & Phone No.)

Department of Employee Trust Funds  
 Pamela Henning (267-2929)

Authorized Signature/Telephone No.

David Hinrichs (608-266-3763)

Date

2/25/99

**FISCAL ESTIMATE WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect X original  updated  
 DOA-2047 (R10/92)  corrected  supplem.

LRB or Bill#/Adm. Rule#  
**AB 124**

Amendment No.

**Subject:**  
 Creditable military service under the Wisconsin Retirement System.

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal eff **\$22,900 one-time**

II. Annualized Costs:	Annualized Fiscal impact on State Funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries & Fringes	\$1,200	
(FTE Postion Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$1,200</b>	<b>\$0</b>
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR		
FED		
PRO/PRS		
SEG/SEG-S	\$1,200	
<b>III. State Revenues-</b>	<b>Increased Revenue</b>	<b>Decreased Revenue</b>
Complete this only when proposal will increase or decrease state revenues (tax increase, decreased fees)		
GPR Taxes		
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$0</b>	<b>\$0</b>

**NET ANNUALIZED FISCAL IMPACT:**

	STATE	LOCAL
NET CHANGE IN COSTS	\$1,200	
NET CHANGE IN REVENUES	\$0	

Agency/Prepared by:(Name & Phone No.) Department of Employe Trust Funds Pamela Henning (267-2929)	Authorized Signature /Phone No. <i>David Himmels (266-3763)</i>	Date 2/25/99
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