

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

**LRB #-1943/1**

**INTRODUCTION # A.B. 124**

**Admin. Rule #**

**Subject**

**Allows Pension Credit for Military Service After 1973**

**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:**


Under current law, a WRS member may receive pension credit for up to 4 years of U.S. military service, provided that it was served prior to 1974. This bill would remove the 1974 restriction and would also provide credit under the WRS for military service that is also used to increase federal pensions. (In other words, this bill would allow "double dipping" with regard to military service.)

Based on data provided by the Dept. of Defense, I have estimated that about 9% of Wisconsin males since 1974 have had some military service (169,108 were discharged during the period 1974-1997.) The resulting estimated cost to the WRS employers of this bill is \$4 million in year 2001, which is about 0.043% of covered payroll. The state would bear about 29% of the employers' cost in 2001 or about \$1.1 million.

**Long-Range Fiscal Implications:**

0.043% of covered payroll is the estimated continuing cost impact of this bill for the WRS employers.

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

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

**Date**  
 8/23/99

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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	\$ 1.1 million	\$ - 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>\$ 1.1 million</b>	<b>\$ -</b>
<b>B. State Costs by Source of Funds</b>		
GPR	\$ 1.1 million	\$ - 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	\$ 1.1 million	\$ - 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 \$ 1.1 million \$ 2.9 million  
 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 8/23/99
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