

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # --0865/3

INTRODUCTION # A.B. 145

Admin. Rule #

Subject

Pension Credit Given for Federal Public Health Service

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

Assembly Bill 145 would grant creditable service under the Wisconsin Retirement System for service in the federal Public Health Service on the same basis as that now used for granting military service credit.

To estimate the cost of this bill to Wisconsin Retirement System (WRS) employers, we have estimated that 25 participants would gain benefits under this bill, with an average of 3 years of credited service added by their former service with the federal public health service. 80% of these 25 employees were assumed to be in the "General" employee category, with the other 20% "Executive and Elected". Their average salary was assumed to be one-third more than the average salary of those active employees who were age 55 through 59 in the 1997 WRS valuation. Equal numbers of males and females were assumed, with a mean retirement age of 58.

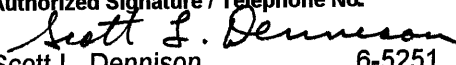
Under these assumptions, it is estimated that this bill would add \$750,000 to the unfunded liability of the affected employers, or an average of \$30,000 per affected participant. The affected employers would pay for this over the next 30 years by an increase in their unfunded liability payments. The bill would increase the total annual contribution required from these employers by about \$40,000 currently to about \$150,000 in the last year of funding the bill's benefits (30 years hence).

All of the cost for this bill would be borne by the employers of the affected employees. The State's estimated share is 30% of the cost involved.

Long-Range Fiscal Implications:

The affected employers' additional total dollar outlay for retirement expense over the next 30 years is estimated at \$2.5 million, or an average of \$100,000 per affected participant. After 30 years there would be no further cost.

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

Authorized Signature / Telephone No.

 Scott L. Dennison 6-5251

Date
 5/24/99

FISCAL ESTIMATE WORKSHEET
Session

Detailed Estimate of Annual Fiscal Effect

1999

- ORIGINAL
 CORRECTED
 UPDATED
 SUPPLEMENTAL

LRB #-0865/3

Admin. Rule #

INTRODUCTION # A.B. 145

Subject
Pension Credit Given for Federal Public Health Service

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
A. State Costs by Category		
State Operations - Salaries and Fringes	\$ 12,000	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 12,000	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ 12,000	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	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	\$ 12,000 1 st year*	\$ 28,000 1 st year*
NET CHANGE IN REVENUES	\$ 0	\$ 0

*Increasing annually by 4.8% (compounded) for next 30 years

Prepared By: / Phone # / Agency Name Joint Survey Committee on Retirement Systems	Authorized Signature/Telephone No. <i>Scott L. Dennison</i> Scott L. Dennison 6-5251	Date 5/24/99
---	--	-----------------