

<b>1999 Session</b>		LRB Number <b>-3285/2</b>
<b>FISCAL ESTIMATE</b> DOA-2048 N(R06/99)		Bill Number <b>AB426</b>
<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL		
<b>Subject</b>		Amendment No. if Applicable
Provides that any WRS participant who at the time of death was a participating employe and had attached at least 20 years of creditable service shall have his or her death benefit based on the sum of the additional and employe required contribution accumulations, but only if the beneficiary to whom a death benefit is paid is the spouse of the participating employe, or a trust in which the spouse has a beneficial interest. Under the bill, the death benefit provided the spouse is in the form of a joint survivor death benefit.		Administrative Rule Number
<b>Fiscal Effect</b>		
State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.		<input checked="" type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation		
Local: <input type="checkbox"/> No local government costs		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<b>Fund Sources Affected</b>		<b>Affected Chapter 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEG-S		<b>20.515(1)(w)</b>
<b>Assumptions Used in Arriving at Fiscal Estimate</b>		
<p>The special death benefit that would be payable under this legislation would be calculated the same as the special active death benefit payable to the participating employe's spouse and/or dependent children under s. 40.73(1)(c), Stats., if the participating employe dies after reaching minimum retirement age. The differences between this provision and current death benefit under s. 40.74(1)(c), Stats. are: 1) This death benefit would be payable only to the surviving spouse and not to the dependent children, 2) The participating employe must have accrued 20 years of creditable service prior to death; and 3) The participating employe does not have to have reached minimum retirement age as of the date of death to qualify.</p> <p>This bill should have relatively little operational impact, as its only affect is to expand eligibility for a benefit staff that already calculates. The ETF Telephone Message System (TMS), home page and several brochures/forms would need revision. A Trust Fund News article would be written and published. The Wisconsin Employe Benefit System (WEBS) death benefit estimate module would be revised to perform this calculation for deceased participants who were under minimum retirement age at death.</p>		
<b>ONE TIME COSTS</b>		
<ul style="list-style-type: none"> <li>• Revise Communication Tools (forms/brochures, telephone message center, presentation materials) (26 staff hrs @ \$17 = \$442)</li> <li>• Computer System Enhancements (development &amp; user testing) (20 staff hrs @ \$17 = \$340)</li> <li>• Operational Adjustments (revise/develop procedures &amp; staff training) (24 staff hrs @ \$17 plus 10 staff hrs @\$14 = \$548)</li> <li>• Increased Workload (written, e-mail and telephone inquiries)(16 staff hrs @ \$17 = \$272)</li> </ul>		
<b>Long-Range Fiscal Implications</b>		
Special death benefits have average 4 per month since the latest law change in December 1997. If this bill were enacted, the volume would increase to 6 per month. The time to compute and audit a non-special death benefit is 1 hour. A special death benefit takes an addition .5 hour to compute and audit. (Two per month = 24 per year x .5 = 12 staff hours @ \$17 = \$204 per year ongoing cost).		
Prepared by: <b>Dave Hinrichs</b>	Telephone No. <b>266-3763</b>	Agency <b>DETF</b>
Authorized Signature: <i>David Hinrichs</i>	Telephone No. <b>same</b>	Date <b>8/25/99</b>

**FISCAL ESTIMATE WORKSHEET**

1999 Session

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R06/99)

LRB Number <b>-3285/2</b>	Amendment No. if Applicable
Bill Number <b>AB426</b>	Administrative Rule Number

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**Subject**

Provides that any WRS participant who at the time of death was a participating employe and had attached at least 20 years of creditable service shall have his or her death benefit based on the sum of the additional and employe required contribution accumulations, but only if the beneficiary to whom a death benefit is paid is the spouse of the participating employe, or a trust in which the spouse has a beneficial interest.

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**  
\$1,600

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	\$ 204.00	\$ -
(FTE Position Changes)	( FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	<b>\$ 204.00</b>	<b>\$ -</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		-
<b>State Revenues</b>	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**

	STATE	LOCAL
NET CHANGE IN COSTS	\$ 204.00 0	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0

Prepared by: <b>Dave Hinrichs</b>	Telephone No. <b>266-3763</b>	Agency <b>DETF</b>
Authorized Signature: <i>David Hinrichs</i>	Telephone No. same	Date <b>8/23/99</b>