

FISCAL ESTIMATE FORM

1999 Session

ORIGINAL

UPDATED

CORRECTED

SUPPLEMENTAL

LRB # 3285/2

INTRODUCTION # A.B. 426

Admin. Rule #

Subject

Payment of employer's matching amount for death benefit if member has 20 years of service under the WRS

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

Decrease Costs

Create New Appropriation

Local: No local government costs

1. Increase Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:

Towns Villages Cities

2. Decrease Costs
 Permissive Mandatory

4. Decrease Revenues
 Permissive Mandatory

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:

This bill would pay the employer's matching amount in addition to the deceased member's own refund of contributions to the beneficiary of a member who had 20 years of service at the time of his or her death. Under the present WRS this matching amount is paid only to members age 55 at time of death (or 50 for protective classification employees).

Under the assumptions used by the WRS actuary for the 1998 valuation of WRS, and based on employee data reported in that valuation, the amount of increased cost to the WRS employers created by this bill would be approximately 0.030% of payroll, or \$2.8 million additional required contribution in the year 2001. The State's share of this would be about 29%, or \$760,000 in year 2001. The non-state employers would pay the balance, or \$1.85 million in 2001.

Long-Range Fiscal Implications:

The estimated contribution for the benefit in this bill would remain at 0.030% of payroll indefinitely.

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

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

Date
11-9-99
11/9/99

FISCAL ESTIMATE WORKSHEET
Session

Detailed Estimate of Annual Fiscal Effect

1999

- ORIGINAL
 CORRECTED
 UPDATED
 SUPPLEMENTAL

LRB # 3285/2
INTRODUCTION # A.B. 426

Admin. Rule #

Subject

Payment of employer's matching amount for death benefit if member has 20 years of service under the WRS

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 | \$ 760,000 | \$ - 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 |
| TOTAL State Costs by Category | \$ 760,000 | \$ - 0 |
| B. State Costs by Source of Funds | Increased Costs | Decreased Costs |
| GPR | \$ 760,000 | \$ - 0 |
| FED | 0 | - 0 |
| PRO/PRS | 0 | - 0 |
| SEG/SEG-S | 0 | - 0 |
| 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 | \$ 0 | \$ - 0 |
| GPR Earned | 0 | - 0 |
| FED | 0 | - 0 |
| PRO/PRS | 0 | - 0 |
| SEG/SEG-S | 0 | - 0 |
| TOTAL State Revenues | \$ 0 | \$ - 0 |

NET ANNUALIZED FISCAL IMPACT

| | STATE | LOCAL |
|------------------------|------------|-----------------|
| NET CHANGE IN COSTS | \$ 760,000 | \$ 1.85 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, Director 266-5251 | Date 11-9-99 11/9/99 |
|--|--|----------------------------|