

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB #-2366/1

INTRODUCTION # A.B. 323

Admin. Rule #

Subject Makes an accelerated distribution from the Transaction Amortization Account and increases the retirement formula for past service by 0.2%

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 323 would for all WRS members increase the pension formula multiplier by 0.2% for all credited service prior to 1/1/2000. On that date, a special distribution of \$2.1 billion would be made also from the Transaction Amortization Account to the fixed fund.

For this estimate, I have used information from a study prepared by the WRS actuaries in July 1999 for the Senate Committee on Organization, and the 12/31/98 WRS valuation report.

Even after the accelerated recognition of \$2.1 billion from the T.A.A., this bill would increase the year 2001 contributions of WRS employers by an estimated....

- .61% of payroll = \$51.4 million ... for General employees
- .91% of payroll = \$ 0.8 million ... for Executive and Elected employees
- .54% of payroll = \$ 3.8 million ... for Protective employees with Social Security
- .58% of payroll = \$ 0.8 million ... for Protective employees without Social Security

Half of these cost increases would be borne by the employees as increased Benefit Adjustment Contributions (for General employees) or regular member contributions (for the other groups). The state would bear about 29% of the employers' share of cost.

Long-Range Fiscal Implications:

These cost increases would phase out over the next 30 to 35 years.

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

Authorized Signature/ Telephone No.


 Scott L. Dennison, Director 266-5251

Date

8/13/99

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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
A. State Costs by Category		
State Operations - Salaries and Fringes	\$ 8.2 million	\$ - 0
	(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	\$ 8.2 million	\$ - 0
B. State Costs by Source of Funds		
GPR	\$ 8.2 million	\$ - 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 \$ 8.2 million \$ 20.2 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 8/13/99
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