



**Fiscal Estimate Narratives**  
**ETF 5/30/01**

LRB Number <b>01-0484/1</b>	Introduction Number <b>AB-414</b>	Estimate Type <b>Original</b>
<b>Subject</b> Creditable military service under the Wisconsin retirement system		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, a participant in the WRS may receive one year of creditable service for each year of military service, up to a maximum of four years of military service credit if the participant's military service was performed before 1974 and the participant has at least five, ten, fifteen or twenty years of creditable service. AB 414 allows military service credit for active military service served at any time (not just prior to 1974).

Under current law, a participant in the WRS may not receive credit for military service if the participant is using the same military service to receive a federal retirement benefit. AB 414 eliminates this provision.

The Department estimates a 5% on-going increase in participants requesting credit for active military service and an additional 1600 inquiries (phone and written) about military service credit. This results in one-time staff costs of \$7,600 SEG to revise forms, brochures, and internal operating procedures, provide staff training and handle increased workload associated with telephone, written and e-mail inquiries and walk-in appointments.

On-going operational costs are estimated at \$1,200 SEG for military service processing based upon the 5% increase (79) in participants submitting requests for additional military service credit.

Military calculation and affidavit notification programs within our Wisconsin Employee Benefits System (WEBS) will need to be modified to reflect new changes in the bill. One-time estimated costs for system changes for contract developer time, user testing and central processing unit (CPU) time are \$19,500 SEG.

This fiscal estimate addresses only the administrative costs of AB 414. The Joint Survey Committee on Retirement Systems will estimate the fiscal effect on the trust fund.

**Long-Range Fiscal Implications**

On-going.

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number 01-0484/1</b>		<b>Introduction Number AB-414</b>	
<b>Subject</b>			
Creditable military service under the Wisconsin retirement system			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
One-time costs of \$27,100 SEG			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$1,200	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$1,200</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S (1,200)	1,200	
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$1,200	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
ETF/ Pam Henning (608) 267-2929		Dave Hinrichs (608) 266-3763	5/29/01