

Fiscal Estimate Narratives

ETF 9/25/01

LRB Number 01-3420/1	Introduction Number AB-498	Estimate Type Original
Subject Contribution rates under the Wisconsin retirement system		

Assumptions Used in Arriving at Fiscal Estimate

AB 498 establishes a 5% required employee contribution rate under the Wisconsin Retirement System for all participating employees and eliminates the requirement that any increase or decrease in contribution rates be reflected equally in reductions or increases in the required employer and employee contribution rates.

In addition, AB 498 eliminates the benefit adjustment contribution that under current law was treated as an employer contribution regardless of whether the employee or employer paid the contribution.

There are no administrative costs to the Department associated with this bill. In addition, the total contribution rate will not increase according to the consulting actuary to the ETF Board.

The Joint Survey Committee on Retirement Systems will provide further detail on the impact of this bill on the trust fund.

Long-Range Fiscal Implications