

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01 - 1084/1

INTRODUCTION # 01 SB 12

Admin. Rule #

Subject

Prohibit inclusion of Social Security number on WRS statement of benefits and on any account statement under the deferred compensation program

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
 Create New Appropriation

Decrease Costs

Local: 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 |
|--|--|--|

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

s. 20.515 (1)(w)

Assumptions Used in Arriving at Fiscal Estimate:

SB 12 requires the Department of Employee Trust Funds (DETF) to ensure that a participant's Social Security number does not appear on the annual Wisconsin Retirement System (WRS) statement of benefits (SOB).

The fiscal impact of suppressing the Social Security number on the SOB would involve minimal computer programming changes. However, additional staff resources would be needed to verify accurately the participant and his/her WRS account when approximately 2,000 SOB's are returned each year from participants with questions for DETF staff to respond to. The costs associated with the verification would be \$4,200 SEG for salaries and fringe benefits. Also, approximately 4,000 SOB's are returned each year from inactive participants due to undeliverable addresses. These statements are used to update the participant's record with a "lost contact" date. With no SSN, staff resources will be needed to spend additional time to verify the statements with the correct participant. Costs associated with the verification would require an additional .75 FTE and \$21,400 SEG salary and fringe benefits, \$1,200 SEG on-going supplies, \$3,500 SEG one-time PC and software and \$5,000 SEG one-time system furniture.

SB 12 also requires the deferred compensation board to ensure that any statement sent to employees who participate in the deferred compensation plan not contain the Social Security number of the employee.

As of July 2000, the Wisconsin Deferred Compensation administrator removed the participant's Social Security number as an account identifier on the printed statements mailed to participants. However, the SSN still remains on the statements in an encoded fashion for administrator verification purposes. If this encoded number would need to be removed as a result of SB 12, the fiscal cost would be approximately \$1 million to \$3 million to create a new system using a dummy identifier and would take up to 1 year to develop. The disguised or dummy SSN would still need to be cross-referenced with the true SSN, which is needed to correspond with payroll offices submitting deferrals. The additional costs to develop a new system would be paid by the participant in higher administrative fees.

Long-Range Fiscal Implications:

On-going.

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Date

1/25/01

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2001 Session

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
\$8,500 SEG

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$ 25,600	\$ -
(FTE Position Changes)	(.75 FTE)	(- FTE)
State Operations - Other Costs	1,200	-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 26,800	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S	26,800	-
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	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

	STATE	LOCAL
NET CHANGE IN COSTS	\$ 26,800	\$
NET CHANGE IN REVENUES	\$	\$

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