

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-1368/1	Introduction Number AB-267	
Subject Payment of required employee contributions under the Wisconsin Retirement System		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate		
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 Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <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		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.515 (1)(w)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
ETF/ Jon Kranz (608) 267-0908	Dave Stella (608) 266-3641	4/20/2005

Fiscal Estimate Narratives

ETF 4/20/2005

LRB Number	05-1368/1	Introduction Number	AB-267	Estimate Type	Original
Subject					
Payment of required employee contributions under the Wisconsin Retirement System					

Assumptions Used in Arriving at Fiscal Estimate

Current law allows an employer to pay all or part of the employee required contribution to the Wisconsin Retirement System (WRS). AB-267 provides that a participating WRS employer who is subject to the Municipal Employment Relations Act may not pay, on behalf of any employee who first becomes a participating employee on or after the bill's effective date, the first 3% of earnings of an employee's required contribution.

For the purposes of this estimate, it is assumed that this bill applies to non-represented local government employees who first become WRS participants on or after the effective date of the bill. It is also assumed that it would apply to represented local government employees who first become WRS participants on the later of the effective date of the bill or when the applicable collective bargaining agreement expires, is extended, or is modified.

To implement the provisions of this bill, the Department of Employee Trust funds would be required to modify various information technology systems and revise various manuals and training programs. These estimated costs are included in the attached fiscal estimate worksheet.

Participating local government employers may be required to make modifications to their payroll systems in order to comply with the provisions of AB-267. There are currently approximately 1,400 local government employers and each maintains their own payroll system. The cost associated with these changes is indeterminate.

This estimate relates only to the administrative costs expected to be incurred by the Department of Employee Trust Funds. The program costs related to this bill will be estimated by the Joint Survey Committee on Retirement Systems in a separate submission.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Payment of required employee contributions under the Wisconsin Retirement System			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
One-time state costs (Department of Employee Trust Funds) would be \$29,200 and would require .34 FTE (for a one-year period). One-time local government costs are indeterminate (see narrative)			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$2,700	
(FTE Position Changes)		(0.0 FTE)	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$2,700	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS		2,700	
SEG/SEG-S (SEG)			
III. 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		\$2,700	\$See Narrative
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	
ETF/ Jon Kranz (608) 267-0908		Dave Stella (608) 266-3641	
		Date	
		4/20/2005	