



## Fiscal Estimate Narratives

ETF 2/25/2005

LRB Number	05-1446/1	Introduction Number	AB-81	Estimate Type	Original
<b>Subject</b>					
Creditable military service for all 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 81 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 81 eliminates this provision.

In addition, the bill provides that a participant leaves WRS covered employment to enter military service and returns to any WRS covered employment within 180 days of discharge, that participant may receive one year of military service credit for each year of military service. Current law requires that the participant must return to the same WRS employer to receive this benefit.

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 \$7600 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 \$19,400 (including costs associated with .5 FTE staff positions that would be needed) SEG for military service processing based upon the 5% increase (79) in participants submitting requests for additional military service credit.

This fiscal estimate addresses only the administrative costs of AB 81. 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 - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Subject</b>			
Creditable military service for all 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>			
\$7,600 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	\$19,400		
(FTE Position Changes)	(0.5 FTE)		
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$19,400</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	19,400		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</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	\$19,400	\$	
NET CHANGE IN REVENUE	\$	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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