

Fiscal Estimate Narratives

ETF 3/22/2007

LRB Number 07-1430/1	Introduction Number AB-0175	Estimate Type Original
Description Relating to: deduction of membership dues from retirement annuities under the Wisconsin Retirement System		

Assumptions Used in Arriving at Fiscal Estimate

This bill would permit the Department of Employee Trust Funds (ETF) to allow WRS annuitants to authorize deductions from their annuities for dues to labor organizations, professional organizations, and certain retiree organizations. Assumptions used in the preparation of this estimate are as follows:

- * 3% of all WRS annuitants would authorize the Department to make deduction at least once per year.
- * Approximately 6,000 transactions per year (500 per month) would be generated as a result of this bill.
- * The Department would be required to ensure that the receiving organization is eligible as per the statutory criteria.
- * The Department would be required to modify various systems to appropriately handle the banking, reporting, accounting, and reconciliation functions.
- * 2-3 three electronic file formats would be made available for handle the electronic transmission between ETF and the receiving organization.
- * The new benefit payment system (currently undergoing acceptance testing) would be utilized - note that the current payment system is not able to process these types of deductions).
- * Costs associated with this bill are presumed to be legitimate uses of the Public Employee Trust Fund Note that the determination of this point is beyond the scope of this estimate. Should it be determined that this is not an appropriate use of the Trust fund, an alternative funding source would need to be identified.

Long-Range Fiscal Implications

As the annuitant population increases, additional resources will be required to handle the additional workload. The annuitant population is expected to double over the next 15 years.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Relating to: deduction of membership dues from retirement annuities 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): \$392,000 primarily to modify information technology systems that would be used in processing.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$56,100	\$
	(FTE Position Changes)	(1.3 FTE)	
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$56,100	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	56,100	
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	\$56,100	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
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