

Fiscal Estimate - 2009 Session

Original Updated Corrected Supplemental

LRB Number 09-0420/1		Introduction Number SB-088	
Description Purchase of creditable service under the Wisconsin Retirement System for active service in the U.S. armed forces			
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 type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input checked="" type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<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"/> Counties		<input type="checkbox"/> Cities	
<input type="checkbox"/> School Districts		<input type="checkbox"/> Others	
		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<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)	
Agency/Prepared By		Authorized Signature	
ETF/ Jon Kranz (608) 267-0908		Bob Conlin (608) 261-7940	
		Date	
		3/6/2009	

Fiscal Estimate Narratives

ETF 3/6/2009

LRB Number	09-0420/1	Introduction Number	SB-088	Estimate Type	Updated
Description Purchase of creditable service under the Wisconsin Retirement System for active service in the U.S. armed forces					

Assumptions Used in Arriving at Fiscal Estimate

This updated estimates modifies the estimated number of participants eligible to purchase creditable service under the bill (the first assumption below is changed to 10,000 from 5,000) to reflect updated participant information. There is no change to the estimated administrative costs associated with bill.

This bill creates a program that would allow participating employees in the Wisconsin Retirement Systems to purchase creditable service for all years of active military service subject to the following conditions:

- * The employee pays to the Department of Employee Trust Funds the required employee contribution for general category employees (currently five percent) based on the employees final average earnings determined as if the employee had retired on the first day of the annual earnings period during which the Department received the application.
- * The employee may not purchase more than four years of creditable service under this program.
- * The employee may not receive creditable service under this program for any active military service used to qualify for creditable military service under current law.

Assumptions used in the preparation of this estimate include:

- * Approximately 10,000 current participants would be eligible to purchase creditable service under this program
- * Approximately 10 % of the eligible population would submit an application during the first year.
- * Various programming changes would be required to current information technology systems.
- * Various forms and informational publications would require revision.

Only the administrative costs associated with this bill are addressed by this estimate. The estimate of the program costs to the Public Employee Trust Fund will be provided by the Joint Survey Committee on Retirement Systems.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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 Updated
 Corrected
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Description Purchase of creditable service under the Wisconsin Retirement System for active service in the U.S. armed forces			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$234,800 to cover costs associated with training, re-printing of forms/publications, postage, and information technology system changes.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$5,000	\$
(FTE Position Changes)		(0.1 FTE)	
State Operations - Other Costs		2,000	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$7,000	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		7,000	
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		\$7,000	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
ETF/ Jon Kranz (608) 267-0908		Bob Conlin (608) 261-7940	3/6/2009