

### Fiscal Estimate - 2011 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>11-2944/2</b>	<b>Introduction Number</b> <b>AB-0352</b>	
<b>Description</b> Eligibility for participating employee status and the Wisconsin Retirement System and post-retirement employment of annuitants under the Wisconsin Retirement System		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
<b>Local:</b>		
<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		
<b>Fund Sources Affected</b>		
<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 (1w)		
<b>Affected Ch. 20 Appropriations</b>		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

ETF 11/10/2011

LRB Number	11-2944/2	Introduction Number	AB-0352	Estimate Type	Original
<b>Description</b> Eligibility for participating employee status and the Wisconsin Retirement System and post-retirement employment of annuitants under the Wisconsin Retirement System					

### Assumptions Used in Arriving at Fiscal Estimate

This bill makes the following changes to the Wisconsin Retirement System (WRS):

- 1) Requires that a WRS annuitant be separated from service for a minimum of 180 days to be considered a bona fide termination.
- 2) Requires the termination of an annuity of a rehired annuitant if that individual is expected to work at least 1/2 time. This also would apply to an individual receiving an annuity who contracts to provide personal services with a WRS employer.
- 3) Modifies the 2011 Wisconsin Act 32 changes to initial eligibility requirements for WRS participation to 660 hours per year for teacher/educational support employees and 1000 hours per year for all other employees.

Assumptions used to prepare this estimate include the following:

- \* An average of 955 annuitants are reported as being hired by WRS employers each year. However, it is likely that not all rehired annuitants are reported to ETF by the participating employer.
- \* 95% of the rehired annuitants choose to continue their annuity.
- \* Approximately 26% are hired by state agencies and 74% are hired by local governments.
- \* No information is available regarding the number of annuitants who provide services on a contractual basis to a WRS participating employer.

Administrative costs will be incurred related to information technology system changes, staff training, employer training, transaction processing and the revision of publications. These costs are estimated to be \$50,000 for the implementation year and \$7,500 per year on-going.

This estimate does not include WRS program related costs. If the bill is referred to Joint Survey Committee on Retirement Systems, that committee may provide the estimate of WRS program related costs.

### Long-Range Fiscal Implications