

Fiscal Estimate - 2013 Session

Original Updated Corrected Supplemental

LRB Number 13-1912/2	Introduction Number AB-0471	
Description Determination of final average earnings for the purpose of calculating Wisconsin Retirement System annuities		
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 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <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 ETF/ Tarna Hunter (608) 267-0908	Authorized Signature Robert Marchant (608) 266-9854	Date 11/15/2013

Fiscal Estimate Narratives

ETF 11/15/2013

LRB Number	13-1912/2	Introduction Number	AB-0471	Estimate Type	Original
Description Determination of final average earnings for the purpose of calculating Wisconsin Retirement System annuities					

Assumptions Used in Arriving at Fiscal Estimate

AB 471 changes the formula method for calculating a Wisconsin Retirement System (WRS) retirement benefit.

- Under current law, a formula benefit is based on the employee's final average earnings over the three highest years of earnings.
- Under the bill, a formula benefit would be based on the five highest years.
- This change would take effect five years after the effective date of the bill.

ETF anticipates that there will be one-time administrative costs associated with this bill. ETF systems will need to be modified so that the subset of employees affected by this bill is identifiable and that the proper retirement and disability processes are developed and applied to them. It is estimated that staff training, publication and forms revisions, compliance, and other administrative functions will cost approximately \$142,353. The information technology systems changes are estimated to cost \$126,788.

ETF will be able to absorb on-going costs.

However, this fiscal estimate is based on current systems and staffing levels. The Department is in the process of replacing information technology systems. This may impact future costs of these changes.

Only administrative costs associated with this bill are included in this estimate. An estimate of the financial effect on the WRS Public Employee Trust Fund and its benefits needs to be provided by the Joint Survey Committee on Retirement Systems.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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 Corrected
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Description Determination of final average earnings for the purpose of calculating Wisconsin Retirement System annuities			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$269,141			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
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			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
ETF/ Tarna Hunter (608) 267-0908		Robert Marchant (608) 266-9854	11/15/2013