



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #413

Technical Change -- Retired Employees Benefit Supplement Reestimate (ETF)

[LFB 2001-03 Budget Summary: Page 277, #7]

CURRENT LAW

Base level funding of \$4,986,500 GPR annually is provided under a sum sufficient appropriation for the payment of benefit supplements to Wisconsin Retirement System retirees who first began receiving annuities prior to October 1, 1974. These supplements have been authorized by the Legislature through the enactment of Chapter 337, Laws of 1973, 1983 Wisconsin Act 394 and 1997 Wisconsin Act 26. Under Article IV, Section 26 of the Wisconsin Constitution, all post-retirement benefit supplements must be GPR-funded.

GOVERNOR

Reduce the base level funding estimate for benefit supplements by \$837,000 GPR in 2001-02 and \$1,371,900 GPR in 2002-03. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths.

MODIFICATION TO BASE

Make the following reestimates for 2001-02 and 2002-03:

<u>2001-02</u>			<u>2002-03</u>		
<u>Budget Bill</u>	<u>Revised</u>	<u>Increase</u>	<u>Budget Bill</u>	<u>Revised</u>	<u>Decrease</u>
\$4,149,500	\$4,188,200	\$38,700	\$3,614,600	\$3,573,200	-\$41,400

Explanation: The revised sum sufficient estimate is based the latest available projection of the supplements to be paid during the 2001-03 biennium. The revised estimate represents a base level reduction of \$798,300 in 2001-02 and \$1,413,300 in 2002-03.

Modification	GPR
2001-03 FUNDING (Change to Base)	- \$2,211,600
<i>[Change to Bill</i>	<i>- \$2,700]</i>

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