



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #278

Minor Policy and Technical Changes -- Retired Employees Benefit Supplement Reestimate (ETF)

[LFB 2005-07 Budget Summary: Page 154, #9]

CURRENT LAW

Base level funding of \$2,360,200 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 base level funding by \$451,400 GPR in 2005-06 and \$811,200 GPR in 2006-07 to reflect decreased amounts necessary to pay benefit supplements for retirees. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths.

MODIFICATION

Make the following reestimates for 2005-06 and 2006-07:

<u>2005-06</u>			<u>2006-07</u>		
<u>AB 100</u>	<u>Revised</u>	<u>Increase</u>	<u>AB 100</u>	<u>Revised</u>	<u>Increase</u>
\$1,908,800	\$1,921,300	\$12,500	\$1,549,000	\$1,559,300	\$10,300

Explanation: The revised sum sufficient estimate is based on the latest available projection of the supplements to be paid during the 2005-07 biennium. The revised estimate represents a base level reduction of \$438,900 in 2005-06 and \$800,900 in 2006-07.

<u>Modification</u>	<u>GPR</u>
2005-07 FUNDING (Change to Bill)	\$22,800

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