



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #283

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

Bill Item

[LFB 2007-09 Budget Summary: Page 132, #5]

CURRENT LAW

Base level funding of \$1,582,400 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

Delete \$267,100 GPR in 2007-08 and \$500,900 GPR in 2008-09 to reflect decreased amounts necessary to pay benefit supplements for retirees.

MODIFICATION

Make the following reestimates for 2007-08 and 2008-09:

<u>2007-08</u>			<u>2008-09</u>		
<u>SB 40</u>	<u>Revised</u>	<u>Decrease</u>	<u>SB 40</u>	<u>Revised</u>	<u>Decrease</u>
\$1,315,300	\$1,300,400	-\$14,900	\$1,081,500	\$1,068,700	-\$12,800

Explanation: The revised sum sufficient estimate is based on the latest available projection of the supplements to be paid during the 2007-09 biennium. The reduced funding is due to a declining number of retirees eligible for these supplements due to deaths. The revised estimate represents a base level reduction of \$282,000 GPR in 2007-08 and \$513,700 GPR in 2008-09.

	Change to Bill Funding	Change to Base Funding
GPR	- \$27,700	- \$795,700

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