



# Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #321

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

[LFB 2009-11 Budget Summary: Page 235, #4]

### CURRENT LAW

Base level funding of \$1,032,900 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 \$220,700 GPR in 2009-10 and \$392,400 GPR in 2010-11 to reflect decreased amounts necessary to pay benefit supplements for retirees.

### MODIFICATION

Make the following reestimates for 2009-10 and 2010-11:

| <u>2009-10</u> |                |                 | <u>2010-11</u> |                |                 |
|----------------|----------------|-----------------|----------------|----------------|-----------------|
| <u>AB 75</u>   | <u>Revised</u> | <u>Increase</u> | <u>AB 75</u>   | <u>Revised</u> | <u>Increase</u> |
| \$812,200      | \$814,000      | \$1,800         | \$640,500      | \$641,600      | \$1,100         |

**Explanation:** The revised sum sufficient estimate is based on the latest available projection of the supplements to be paid during the 2009-11 biennium. The expenditure estimates decline from base-level funding because of the decreasing number of retirees eligible for these supplements due to deaths. The revised estimate represents a base level reduction of \$218,900 GPR in 2009-10 and \$391,300 GPR in 2010-11.

| Change to Bill<br>Funding |         |
|---------------------------|---------|
| GPR                       | \$2,900 |

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