



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

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Joint Committee on Finance

Paper #256

Retired Employees Benefit Supplement Reestimate (Employee Trust Funds)

[LFB 2013-15 Budget Summary: Page 144, #3]

CURRENT LAW

Base level funding of \$433,100 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 \$112,000 in 2013-14 and \$183,000 in 2014-15 to reflect decreased amounts necessary to pay benefit supplements.

MODIFICATION

Make the following reestimates for 2013-14 and 2014-15:

AB 40	2013-14		AB 40	2014-15	
	Revised	Decrease		Revised	Decrease
\$321,100	\$317,000	-\$4,100	\$250,100	\$246,000	-\$4,100

Explanation: The revised sum sufficient estimate is based on the latest available projection of the supplements to be paid during the 2013-15 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 \$116,100 GPR in 2013-14 and \$187,100 GPR in 2014-15.

Change to Bill Funding	
GPR	- \$8,200

Prepared by: Art Zimmerman